IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus (the "document") and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person.**

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES OR IN ANY OTHER JURISDICTION AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to EFG Hermes UAE Limited ("EFG Hermes"), Emirates NBD Capital PSC ("Emirates NBD Capital"), First Abu Dhabi Bank PJSC ("FAB"), Goldman Sachs International ("Goldman Sachs"), Merrill Lynch International ("BofA Merrill Lynch" and, together with EFG Hermes, Emirates NBD Capital, FAB and Goldman Sachs, the "Joint Global Coordinators"), N M Rothschild & Sons Limited (the "Financial Adviser"), the Company and the Selling Shareholder that (i) you are acting on behalf of, or you are either (a) an institutional investor outside the United States (as defined in Regulation S under the Securities Act), or (b) in the United States and a QIB that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the UK, you (a) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or (b) are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"); (iii) if you are in any member state of the EEA other than the UK, you are a "qualified investor" (as defined in the Prospectus Directive) (a "Qualified Investor"); (iv) the securities acquired by you in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); and (v) if you are outside the U.S., UK and EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholder, the Joint Global Coordinators, the Financial Adviser, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

A hard copy of the document will be made available to you only upon request.

You are reminded that this document has been made available to you solely on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person.

Restriction: Nothing in this electronic transmission constitutes, nor may be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

THE DOCUMENT CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Joint Global Coordinators, the Financial Adviser or any of their respective affiliates, or any of their respective directors, officers, employees or agents, accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. The Joint Global Coordinators, the Financial Adviser and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Global Coordinators, the Financial Adviser or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Global Coordinators and the Financial Adviser are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

EMAAR DEVELOPMENT PJSC

(a public joint stock company under incorporation in the Emirate of Dubai, United Arab Emirates, pursuant to Federal Law No. 2 of 2015 concerning commercial companies, as amended, with a paid up share capital of AED4,000,000,000)

Global Offering of 800,000,000 Shares
Offer Price Range: AED5.70 to AED6.90 per Share

800,000,000 ordinary shares with a nominal value of AED1.00 each (the "Shares") of Emaar Development PJSC ("Emaar Development" or the "Company") are being offered in this global offering (the "Global Offering") by our shareholder, Emaar Properties PJSC ("Emaar Properties") (the "Selling Shareholder").

The Global Offering comprises an offering of Shares (i) in the United States to qualified institutional buyers (each a "QIB") as defined in, and in reliance on, Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933 (the "Securities Act"), and outside the United States to institutional investors in reliance on Regulation S ("Regulation S") under the Securities Act (together, the "Institutional Offering"), (ii) in the Dubai International Financial Centre ("DIFC") only as an Exempt Offer pursuant to the Markets Rules Module of the Dubai Financial Services Authority ("DFSA") Rulebook (the "Exempt Offer" and, together with the Institutional Offering, the "Qualified Investor Offering") and (iii) in the United Arab Emirates (the "UAE") pursuant to a prospectus, the publication of which was approved by the Securities and Commodities Authority of the UAE (the "SCA") (the "UAE Prospectus") to (A) certain natural persons, companies, establishments and other entities and (B) in accordance with the requirements of Federal Law No.2 of 2015 concerning commercial companies, as amended, up to 5 per cent. of the Shares to the Emirates Investment Authority (the "UAE Retail Offer").

Prior to the Global Offering, there has been no public market for the Shares. We have applied for the Shares to be listed on the Dubai Financial Market (the "DFM") and to list the Shares on the DFM under the symbol "EMAARDEV" (the "Admission"). There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the DFM on or about 22 November 2017 (the "Closing Date").

Investing in the Shares involves significant risks. See "*Risk Factors*" beginning on page 18.

The Shares have not been and will not be registered under the Securities Act and, subject to certain limited exceptions, may not be offered or sold within the United States. The Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States only to QIBs in reliance on Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Shares are offered by the Joint Global Coordinators named herein when, as and if delivered to, and accepted by, the Joint Global Coordinators and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment for the Shares to the Joint Global Coordinators for receipt by the Joint Global Coordinators on the business day prior to the Closing Date, and delivery of the Shares is expected to be made on the Closing Date through the book-entry facilities operated by the DFM.

The SCA and the DFM have not approved this Offering Memorandum, take no responsibility for the contents of this Prospectus, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Exempt Offer Statement: This Prospectus relates to an Exempt Offer in the DIFC in accordance with the DFSA Rulebook. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Prospectus nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Prospectus, you should consult an authorised financial adviser.

Joint Global Coordinators

BofA Merrill Lynch **EFG Hermes UAE Limited**

Emirates NBD Capital PSC **First Abu Dhabi Bank PJSC** **Goldman Sachs International**

This Prospectus is dated 2 November 2017.

IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS PROSPECTUS CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS PROSPECTUS ALONE, BUT ONLY ON THE BASIS OF THIS PROSPECTUS AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

Recipients of this Prospectus are authorised solely to use this Prospectus for the purpose of considering the acquisition of the Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Prospectus in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on EFG Hermes UAE Limited ("EFG Hermes"), Emirates NBD Capital PSC ("Emirates NBD Capital"), First Abu Dhabi Bank PJSC ("FAB"), Goldman Sachs International ("Goldman Sachs") and Merrill Lynch International ("BofA Merrill Lynch") (the "Joint Global Coordinators") or N M Rothschild & Sons Limited (the "Financial Adviser") or any person affiliated with the Joint Global Coordinators or the Financial Adviser in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; and (ii) they have relied only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Joint Global Coordinators or the Financial Adviser. Neither the delivery of this Prospectus nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

None of the Company, the Joint Global Coordinators or the Financial Adviser or any of their respective representatives is making any representation to any prospective investor of the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Prospectus should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Prospectus, and having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import.

None of the Company, the Selling Shareholder, the Joint Global Coordinators or the Financial Adviser accepts any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholder, the Joint Global Coordinators or the Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The Financial Adviser and the Joint Global Coordinators, which are each authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation

Authority in the United Kingdom, are acting exclusively for the Company and no one else in connection with the Global Offering, will not regard any other person (whether or not a recipient of this document) as a client in relation to the Global Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this document. The Joint Global Coordinators and the Financial Adviser and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company for which they would have received customary fees.

In connection with the Global Offering, the Joint Global Coordinators, the Financial Adviser and any of their respective affiliates may take up a portion of the Shares in the Global Offering as a principal position, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Global Coordinators and any of their affiliates acting as investors for their own accounts. In addition, certain of the Joint Global Coordinators, the Financial Adviser or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Joint Global Coordinators and Financial Adviser (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Joint Global Coordinators or the Financial Adviser intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

No representation or warranty, express or implied, is made by the Joint Global Coordinators or the Financial Adviser as to the accuracy, completeness or verification of the contents of this Prospectus and nothing contained in this Prospectus may be relied upon as a promise or representation in this respect, whether as to the past or future. None of the Joint Global Coordinators or the Financial Adviser assume responsibility for the accuracy, completeness or verification of this Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise be found to have in respect of this Prospectus.

The Global Offering relates to securities of a UAE public joint stock company to be listed on the DFM and potential investors should be aware that this document and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a public joint stock company established in the UAE and listed on the DFM, all of which may differ from those applicable in any other jurisdiction.

This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the Dubai International Financial Centre ("DIFC") Markets Law (DIFC Law No. 12 of 2004, as amended (the "Markets Law"), or under the Markets Rules (the "Markets Rules") of the Dubai Financial Services Authority ("DFSA"). The Global Offering has not been approved or licensed by the DFSA, and does not constitute an offer of securities in the DIFC in accordance with the Markets Law or the Markets Rules.

NOTICE TO INVESTORS

The Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section "*Transfer Restrictions*". Each purchaser of the Shares will be deemed to have made the relevant representations described therein.

The distribution of this document and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder, the Joint Global Coordinators or the Financial Adviser to permit a public offering of the Shares or to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "*Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, Japan or the United States.

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to "qualified institutional buyers" in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Shares offered by this Prospectus have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any State securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

The Company's audited consolidated financial statements as of and for the three years ended 31 December 2014, 2015 and 2016 (the "Audited Financial Statements") and unaudited interim condensed consolidated financial statements as of and for the nine months ended 30 September 2017 (the "Unaudited Interim Financial Statements" and, together with the Audited Financial Statements, the "Financial Statements") have been included in this Prospectus beginning on page F-1. The Audited Financial Statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Unaudited Interim Financial Statements have been prepared in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting'. The financial information as of and for the nine months ended 30 September 2016 is neither audited nor reviewed.

For further detail regarding the basis of preparation of our Financial Statements, please see "*Management's Discussion and Analysis of Results of Operation and Financial Condition*."

Non-IFRS Information

Included in this Prospectus are certain measures that are not measures defined by IFRS, namely, EBITDA, EBITDA margin, return on capital employed ("ROCE"), net debt, gross asset value ("GAV") and adjusted net asset value ("Adjusted NAV").

Information regarding EBITDA and EBITDA margin is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. EBITDA and EBITDA margin alone do not provide a sufficient basis to compare our performance with that of other companies and should not be considered in isolation or as a substitute for operating income or any other measure defined under IFRS as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, these measures should not be used instead of, or considered as an alternative to, our historical financial results. For a reconciliation of EBITDA to profit, see "*Selected Financial Information and Operating Data*".

ROCE is calculated as earnings before interest and tax divided by total assets minus liabilities (trade and other payables, advances from customers, retention payable and employees' end-of-service benefits) for the relevant period. Net debt is calculated as bank borrowings, less cash not held in escrow.

GAV is calculated as the Market Value (as defined below) of the relevant properties, which is then adjusted, where relevant, for certain items per the terms of the relevant joint venture, development services or joint development agreement. For further detail, please see "*Appendix A: Executive Summary of Valuation Report*". Adjusted NAV is calculated as GAV less debt and the fair value of joint venture partners' interest, plus net other assets, net assets from joint ventures and the value of joint venture fees. For a reconciliation of Adjusted NAV to GAV, please see "*Selected Financial and Operating Data*".

We have presented these non-IFRS measures because we believe they are helpful to investors and financial analysts in highlighting trends in our overall business. Our presentation of these items should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items. We encourage you to evaluate these items and the limitations for purposes of analysis in excluding them.

This Prospectus also contains discussion of certain key operating metrics, including sales backlog. Sales backlog is the value of residential units sold but not yet recognised as revenue under IFRS and includes our non-consolidated joint ventures. For further detail, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Currency Presentation

Unless otherwise indicated, all references in this document to:

- "UAE dirham" or "AED" are to the lawful currency of the United Arab Emirates; and
- "U.S. dollars" or "U.S.$" are to the lawful currency of the United States.

Rounding

Certain data in this document, including financial, statistical and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100 per cent.

Definitions

Unless the context otherwise requires, all references in this Prospectus to the "Company" are to Emaar Development and all references in this Prospectus to "we", "our", "us" and the "group" refer, collectively, to the Company and its subsidiary. Certain terms used in this document, including all capitalised terms and certain technical and other items, are defined and explained in "*Glossary*".

Market Data

In certain instances in this Prospectus, we have included our own estimates, assessments, adjustments and judgements in preparing market information, which has not been verified by an independent third party. Market information included herein is, therefore, unless otherwise attributed to a third-party source, to a certain degree subjective. While we believe that our own estimates, assessments, adjustments and judgements are reasonable and that the market information prepared by us approximately reflects the industry and the markets in which we operate, there is no assurance that our own estimates, assessments, adjustments and judgements are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. Unless otherwise indicated, other market data used in this Prospectus has been extracted from other official and industry sources and other sources we believe to be reliable, including, without limitation, in the sections headed "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*". Such information, data and statistics may be approximations or estimates or use rounded numbers. We have relied on the accuracy of this information without independent verification. Where expressly indicated, the market information contained in the section headed "*Industry Overview*" has been extracted from the Valuation Report (as defined below under "*—Real Estate Market Valuation*").

We confirm that such information has been accurately reproduced and that, so far as we are aware and are able to ascertain from information published by the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be approximations or estimates or use rounded numbers. We have relied on the accuracy of this information without independent verification. We note that neither these independent sources nor the Joint Global Coordinators accept liability for the accuracy of any such information, and prospective investors are advised to consider such information with caution.

Statistical Information

The statistical information in this Prospectus has been derived from a number of different identified sources. Certain information is only available on a federal basis relating to the entire UAE, and investors should note Dubai's own position may differ in material respects from the position at an overall federal level. All statistical information provided in this Prospectus may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times. There is no assurance that the economic and statistical data presented on the UAE in this prospectus is accurate.

No Incorporation of Website Information

Neither the contents of the Company's or Emaar Properties' website, any website mentioned in this Prospectus nor any website directly or indirectly linked to these websites have been verified and they do not form part of this Prospectus, and investors should not rely on such information.

Real Estate Market Valuation

All real estate values presented herein are from the report prepared by JLL Valuation L.L.C. ("JLL") an executive summary of which is included in this Prospectus (the "Valuation Report"), an "External Valuer" (as defined in the RICS Valuation—Professional Standards (January 2014) and RICS Valuation—Global Standards 2017). The market value of a property is defined in the RICS Valuation Standards as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion" ("Market Value"). Unless stated otherwise, each property has been valued on the basis of Market Value subject to a variety of special assumptions and assumptions detailed in the Valuation Report. This is an internationally accepted basis of valuation. The properties were initially valued as at 30 June 2017. Valuation models were subsequently updated as at 30 September 2017 where there was deemed to have been a material change in value. We provide information on our projects in this Prospectus as at 30 September 2017. Consequently, certain figures may differ from the Valuation Report where, for purposes of the Valuation Report, the relevant valuation models were not updated after 30 June 2017. JLL valued our portfolio of nine projects at various stages of development. For the avoidance of doubt, JLL has valued the individual real estate assets only and has not established the combined or total value of the project portfolio. The valuations and a complete discussion of the valuation methodology and other assumptions, methodologies and qualifications are contained in the Valuation Report and elsewhere in this Prospectus. See "*Appendix A: Executive Summary of Valuation Report*".

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate. In particular, the statements under the headings regarding our strategy and other future events or prospects in the following sections are forward-looking statements: "*Summary*", "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved: actual events or results may differ materially as a result of risks and uncertainties that we face. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Please refer to "*Risk Factors*" for further confirmation in this regard.

The forward-looking statements contained in this document speak only as of the date of this document. The Company, the Joint Global Coordinators and the Financial Adviser expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

AVAILABLE INFORMATION

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

SUMMARY

This summary should be read as an introduction to this prospectus (the "Prospectus") and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Prospectus. Accordingly, any decision to invest in the Shares should be based on consideration of this Prospectus as a whole by the investor. Potential investors should read this entire Prospectus carefully, including "Risk Factors", before making any decision to invest in the Shares.

Overview

We are the leading developer of integrated lifestyle master plan communities in Dubai, which feature world-class residential and commercial property, shopping malls and other retail assets and high-end hospitality and leisure attractions. Redefining the traditional approaches to property development, our integrated lifestyle master plan communities are distinguished by their world-class design, superior build quality, high quality finishes and wide range of amenities. Our integrated lifestyle master plan concept combines retail, hospitality, leisure and other requirements of our residents within secure, well-maintained communities.

With the support of our parent company, Emaar Properties, we have developed some of Dubai's most prestigious integrated lifestyle master plan communities, including Emirates Living, the first major freehold community built in Dubai, Dubai Marina, the region's largest man-made marina development, and Downtown Dubai, one of the world's most visited destinations. Since 2002, we have delivered over 34,500 residential units, and, according to JLL, as of 30 September 2017, approximately 22 per cent. of all freehold residential units in Dubai were located in our integrated lifestyle master plan communities.

We oversee all aspects of an integrated lifestyle master plan community's development, from its initial concept development and design, through construction, to sales and marketing. Partnering with the region's leading construction firms, we maintain strict oversight and seek to ensure that our projects are completed within budget and to the highest standards. Our projects typically contain residential units, such as apartments, townhouses, villas, or offices that are built for sale ("BTS assets"); commercial units, including offices, retail space, educational and medical facilities which are built for leasing to occupiers by Emaar Properties or its subsidiaries ("BTL assets"); and recreational amenities such as parks, water features and other outdoor space. Certain of our projects also contain hotels, polo and golf clubs, which are built for operation by Emaar Properties or its subsidiaries ("BTO assets"). We develop and sell BTS assets and are paid a management fee by Emaar Properties to manage the development of BTL and BTO assets. In addition, we ensure through our collaboration with local regulators, utility companies and government agencies that the infrastructure necessary to support these residential communities, such as roads, power, water and sewage, landscaping and open recreational spaces, is in place.

Our extensive pipeline of projects in prime locations, including our 170 million square foot gross floor area ("GFA") land bank for BTS assets (213 million square foot total GFA including BTL/BTO assets) as at 30 September 2017, positions us strongly to capitalise on the further growth of the Dubai residential real estate market. In addition, we benefit from strong relationships with our joint venture partners who also provide land for our projects. We have longstanding relationships with government related entities ("GREs") and other leading property developers, many of whom are our joint venture partners, giving us access to Dubai's premier development opportunities. Since our inception, we have played a key role in the development of Dubai from a regional hub to a global destination, with some of its most iconic features forming part of our integrated lifestyle master plan communities, and we remain committed to continuing to contribute to the delivery of Dubai's vision.

As at 30 September 2017, we had approximately 24,000 residential units under construction, 80 per cent. of which were pre-sold. We have a total of 10 projects in our project portfolio, which had an Adjusted NAV of AED24.1 billion as at 30 September 2017. Our project portfolio is comprised of wholly-owned projects under development (Downtown Dubai, Arabian Ranches, Dubai Marina and Emirates Living), joint venture projects (Dubai Hills Estate, Emaar South and Zabeel Square), a joint development project (Dubai Creek Harbour) and our land bank (Al Marjan (Ras al Khaimah) and Dubai Harbour).

The table below sets out certain key metrics for each of our projects as at 30 September 2017.

	100% Owned Developments				100% Consolidated JV	JVs/JDA with 50% Share			Land bank (100% owned)		
	Downtown Dubai	Arabian Ranches	Dubai Marina	Emirates Living	Dubai Hills Estate	Dubai Creek Harbour(2)(3)	Emaar South(2)	Zabeel Square(2)	Al Marjan (Ras Al Khaimah)	Dubai Harbour(4)	Total
Total units under development	8,714	1,157	838	562	6,123	5,201	1,415	In Planning Stage			24,010
% of units sold	85%	81%	95%	99%	79%	70%	59%	In Planning Stage			80%
Gross margin achieved (%)(1)	42%	49%	38%	31%	46%	27%	32%	In Planning Stage			41%
Escrow balance (AED bn)	6.4	0.3	0.4	0.4	2.4	0.8	0.1	In Planning Stage			10.9
Sales backlog to be recognised (AED bn)	18.9	0.8	1.8	0.4	12.2	5.9	0.9	In Planning Stage			40.8
Total remaining GFA (million sqf)	3.8	0.5	—	0.2	58.4	104.5	32.2	2.2	1.3	10.3	213.3
Remaining GFA of BTL and BTO assets (million sqf)	0.5	0.0	—	0.0	13.8	24.7	3.0	0.2	0.2	0.7	43.1
Remaining GFA of BTS assets (million sqf)	3.3	0.5	—	0.2	44.6	79.9	29.1	2.0	1.1	9.5	170.2
Remaining BTS units to be launched	2,142	847	—	19	23,851	59,799	21,605	1,700	800	7,175	117,938
Remaining years to launch	1	1	—	1	10	12	9	1	2	7	n/a
Remaining years to complete	4	4	—	4	14	16	13	4	6	11	n/a

Notes:

(1) Based on the number of units sold which were under development as at 30 September 2017 and, therefore, not necessarily indicative of margins that will be achieved at project completion.

(2) JVs/JDA numbers presented reflect the total project and do not reflect our proportional share. Our entitlement/share of profits is 50 per cent.

(3) Dubai Creek Harbour is being developed pursuant to a joint development agreement. We are entitled to a development management fee, but hold no interest in the land.

(4) Partial acquisition of land completed, full acquisition and transfer of title are pending.

For the years ended 31 December 2014, 2015 and 2016 and the nine months ended 30 September 2016 and 2017, we had revenues of AED3,140 million, AED5,253 million, AED6,899 million, AED5,130 million and AED6,508 million, respectively, sales of AED12,338 million, AED10,227 million, AED14,411 million, AED11,601 million and AED15,361 million, respectively, and total comprehensive income of AED1,611 million, AED1,962 million, AED2,452 million, AED1,866 million and AED2,442 million, respectively.

Competitive Strengths

The combination of our excellence in executing master planned projects, valuable asset base, de-risked cash generation business model, experienced management team and support from Emaar Properties has enabled us to become the leading residential real estate developer in Dubai. As a result, we believe we benefit from the following key competitive strengths:

Premier real estate developer in a growing and adaptable market with supportive macroeconomic fundamentals

Excellence in execution, exceptional platform and customer base

Valuable asset base and de-risked cash generation business model

Experienced management team and support of Emaar Properties

Our Strategies

Our primary objective is to produce sustained and secure long-term returns from our projects. In particular, we intend to:

Maintain our leadership position in the prime residential real estate market in Dubai

Deliver value for customers

Leverage our significant land bank and partnership with GREs

Financial risk management

Optimise capital structure and enhance returns to shareholders

Recent Developments

On 27 September 2017, we signed a five-year AED4,775 million murabaha financing agreement with First Abu Dhabi Bank. On 30 October 2017, we drew down AED3,967 million under this facility and used the proceeds to pay a dividend of AED3,910 million (net of fees) to Emaar Properties. The undrawn balance is available for future drawdowns. The facility is secured against the proportion of our sales backlog held in escrow and has a five-year maturity, amortising in three equal instalments commencing in the third year. The facility contains financial covenants, including a net debt to EBITDA ratio of 4.0 or less and an EBITDA to net finance charges ratio of greater than 5.0.

Pursuant to the terms of the Relationship Agreement with Emaar Properties (as defined in "*Related Party Transaction and Material Contracts*"), Emaar Properties has made available to the Company a revolving credit facility of up to US$300 million. The Company will use this credit facility to meet its operating cashflow requirements from time to time. As at the date of this prospectus, this facility was undrawn. For more information, see "*Related Party Transaction and Material Contracts*".

We initiated the process to increase our share capital from AED300,000 to AED4 billion by conversion of shareholders' contribution into share capital which completed on 17 October 2017.

Risk Factors

Investing in and holding the Shares involves significant risk, including the following:

Risk relating to our business

The concentration of our property portfolio exposes us to fluctuations in demand for residential real estate in the UAE

The substantial majority of our property portfolio is located in Dubai, and our financial performance is therefore dependent on economic and political conditions in Dubai and the surrounding regions

The continued success of our business is dependent in part upon the wealth of domestic and international investors, as well as the continued appeal of Dubai and the UAE as real estate investment market

We are subject to risks associated with our joint ventures

Our projects may be delayed, suspended, terminated or materially changed in scope, resulting in delayed recognition of revenue and damage to our reputation

Our off-plan sales model exposes us to reputational risks and liabilities

Real estate valuation is inherently subjective

Real estate investments are illiquid

We are dependent on our parent company, Emaar Properties, in many key areas of our business

We rely on the strength of the Emaar brand

We face competition in property development

Our business strategy depends on our ability to successfully develop our projects

We rely on experienced third-party contractors and sub-contractors to construct our projects

If our contractors' relationships with their employees deteriorate, we may be faced with labour shortages or stoppages, which could adversely affect our ability to develop our projects

We are exposed to the risk of default by our contractors

Our projects may be subject to delays due to utility and road infrastructure providers' inability to provide required services and connections to our developments within project delivery times

Our business model relies on cash from off-plan sales to fund construction, and any significant decrease in the level of these sales could lead to the delay in completion or cancellation of projects

We are exposed to the risk of customers defaulting on their purchase price instalments

Our projects could be exposed to catastrophic events or acts of terrorism over which we have no control

We rely on our senior management team, certain employees and third-party sales agencies

The terms of our current and any future financings may restrict us from entering into certain transactions and/ or limit our ability to respond to changing market conditions

The regulatory framework governing the Dubai real estate market may be subject to change

We are required to maintain and renew numerous licences and permits to operate

We may incur unanticipated costs related to compliance with health and safety and environmental laws and regulations

We may not have adequate insurance to cover all potential losses we could suffer

In preparation for the Global Offering, we have implemented a number of new policies, processes, systems and controls which have a limited operating history

In the ordinary course of business, we may become subject to lawsuits

We are exposed to interest rate volatility and inflation

Foreign exchange movements may adversely affect our profitability

Risks Relating to the UAE, the MENA Region and Emerging Markets

Investments in emerging markets are subject to greater risks than more developed markets, including significant political, social and economic risks

Legal and regulatory systems may create an uncertain environment for investment and business activities

UAE visa legislation may have an adverse effect on our business

The UAE plans to introduce value added tax from 2018

Risks arising from unlawful or arbitrary governmental action

Risks Relating to the Global Offering and to the Shares

After the Global Offering, the Selling Shareholder will continue to be able to exercise significant influence over us, our management and our operations

Substantial sales of Shares by the Selling Shareholder following the expiry of the statutory lock-up period could depress the price of the Shares

The Global Offering may not result in an active or liquid market for the Shares

We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them

The DFM is significantly smaller in size than other established securities markets and there can be no assurance that a liquid market in the Shares will develop

It may be difficult for shareholders to enforce judgments against us in the UAE, or against our directors and senior management

Holders of the Shares in certain jurisdictions, including the United States, may not be able to exercise their pre-emptive rights if we increase our share capital

The Company

Our principal executive offices are located at Building 3, Emaar Square, Downtown Dubai/P.O. Box 9440, Dubai, United Arab Emirates. Our registered office is the same as our principal executive offices. Our telephone number is +971 (0) 4 367 3333. Our website address is www.emaardevelopment.com. The information contained on our website is not incorporated by reference into, or otherwise included in, this Prospectus.

THE GLOBAL OFFERING

The Company . . . . Emaar Development, a public joint stock company under incorporation in the Emirate of Dubai, UAE, pursuant to Federal Law No. 2 of 2015 concerning commercial companies, as amended.

The Selling Shareholder . . . . Emaar Properties. Immediately following completion of the Global Offering, the Selling Shareholder will own 79 per cent. of our issued and outstanding share capital.

The Global Offering . . . . A total of 800,000,000 Shares are being offered in the Global Offering. All of the Shares are being sold by the Selling Shareholder. The Global Offering comprises the Qualified Investor Offering (including the Exempt Offer) and the UAE Retail Offer. The Shares are being offered outside the United States in reliance on Regulation S and within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A. The Exempt Offer is being made in the DIFC pursuant to an exemption from registration under the Markets Rules Module of the DFSA's Rulebook. Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Global Offering which is to be made available to the Qualified Investor Offering, which shall not be reduced to less than 60 per cent. of the total Shares offered in the Global Offering.

The Qualified Investor Offering . Up to 720,000,000 Shares (representing up to 90 per cent. of the Global Offering) are being offered to institutional investors in the Qualified Investor Offering (i) outside the United States in reliance on Regulation S; (ii) within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A; and (iii) pursuant to the Exempt Offer.

The Exempt Offer . . . . A number of Shares to be determined by the Joint Global Coordinators, the Selling Shareholder and us are being offered in the Exempt Offer in the DIFC pursuant to an exemption from registration under the Markets Rules Module of the DFSA's Rulebook.

The UAE Retail Offer . . . . Up to 80,000,000 Shares (representing up to 10 per cent. of the Global Offering) are being offered pursuant to a prospectus, the publication of which was approved by the SCA to (A) natural persons (including Qualified High Net Worth Individuals who hold a national investor number ("NIN") with the DFM and have a bank account in the UAE, (there is no citizenship or residence requirement)), including minors; (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold an NIN with the DFM and have a bank account in the UAE; and (C) in accordance with the requirements of Federal Law No.2 of 2015 concerning commercial companies, as amended, up to 5 per cent. of the Shares to the Emirates Investment Authority (together, "Eligible Applicants").

Shares . . . . Upon conversion of the Company to a public joint stock company on or before 21 November 2017, our share capital will consist of 4,000,000,000 ordinary shares, each with a nominal value of AED1.00, which are fully paid, issued and outstanding. The Shares have the rights described under "*Description of Share Capital*".

Offer Price Range . . . . The Offer Price Range is AED5.70 to AED6.90 per Share.

Commencement of the Global Offering	On or about 2 November 2017.
Expected Pricing Date	On or about 16 November 2017.
Expected Closing Date	On or about 22 November 2017.
Payment and settlement	On or about 20 November 2017. Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in either U.S.$ or AED, as specified by each purchaser to the Joint Global Coordinators during the bookbuilding process. Purchasers will be required to make full payment for the Shares to the Joint Global Coordinators for receipt by the Joint Global Coordinators two business days prior to the Closing Date. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges. Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. Trading of the Shares will take place through the trading system of the DFM. Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are authorised clearing members (the "Clearing Members"). Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website, www.dfm.ae.
Restrictions on purchases and transfers of Shares	The Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see "*Subscription and Sale*" and "*Transfer Restrictions*".
Dividends	We are targeting distribution of aggregate dividends of no less than U.S.$1.7 billion, to be paid in respect of the next three financial years ending 31 December 2020. We are targeting the payment of these dividends in relatively equal amounts for each of the three years, subject to our cash requirements for land purchases, debt repayment and operating expenditure. For the dividend declared with respect to the 2018 financial year, we intend to pay a portion in the third quarter of 2018 as an interim dividend, with the remainder expected to be paid in the second quarter of 2019. Dividends in respect of the 2019 and 2020 financial years are expected to be paid in the second quarter of the following year, after the relevant annual general meeting. Thereafter, we expect annual dividend payments to increase further due to lower leverage and higher expected cash flows from operations. Any level or payment of dividends depends on future profits and the business plan of the Company, among other factors, at the discretion of the board. See "*Dividend Policy*".
Use of proceeds	The Company will not receive any proceeds from the Global Offering. The net proceeds generated by the Global Offering (after underwriting commissions and discretionary fees paid) will be approximately AED million, all of which will be received by the Selling Shareholder. All expenses of the Global Offering will be borne by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while

	providing increased trading liquidity in the Shares and raising our profile with the international investment community.
Listing and trading	We have applied for the Shares to be listed on the DFM under the symbol "EMAARDEV". Prior to the Global Offering, there has not been any public market for the Shares. There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the DFM on or about the Closing Date.
Lock-up	Pursuant to the terms of the Underwriting Agreement dated 2 November 2017, we have contractually agreed, for a period of 180 days after the Closing Date, and the Selling Shareholder, which held all of the Shares immediately prior to the Global Offering, has contractually agreed, for the Two Year Lock Up Period (as defined below), not to (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. See *"Subscription and Sale"*.
Taxation	For a discussion of certain tax considerations relevant to an investment in the Shares, see "*Taxation*".
General Information	The security identification numbers of the Shares offered hereby are as follows: Shares ISIN: Shares Common Code: DFM Share Trading Symbol: EMAARDEV

SUMMARY FINANCIAL AND OPERATING INFORMATION

The selected financial information set forth below shows our historical financial information and other unaudited operating information as at and for the years ended 31 December 2014, 2015 and 2016 and as of and for the nine months ended 30 September 2016 and 2017. The financial information as at and for the nine months ended 30 September 2016 has been neither audited nor reviewed.

The financial information set forth below under the captions "Consolidated Statement of Comprehensive Income Data", "Consolidated Statement of Financial Position Data" and "Consolidated Statement of Cash Flows Data" has been derived from, and should be read in conjunction with, the Financial Statements included elsewhere in this Prospectus.

EBITDA, EBITDA margin, ROCE and Net Debt are non-IFRS measures and were calculated by us based on data derived from our Financial Statements.

The selected financial information and operating data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations"

Consolidated Statement of Comprehensive Income Data

	Year ended 31 December			Nine months ended 30 September	
	2014	2015	2016	2016	2017
	(AED millions)				
Revenue	3,140	5,253	6,899	5,130	6,508
Cost of revenue	(1,299)	(2,858)	(4,037)	(2,981)	(3,758)
Gross profit	**1,841**	**2,395**	**2,861**	**2,149**	**2,750**
Selling, general and administrative expenses	(493)	(611)	(577)	(404)	(438)
Finance income	140	61	124	87	90
Finance costs	(36)	(16)	(14)	(11)	(11)
Other income	158	134	60	47	55
Share of results of joint ventures	—	—	(3)	(2)	(4)
Profit for the year/period	**1,611**	**1,962**	**2,452**	**1,866**	**2,442**
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year/period	**1,611**	**1,962**	**2,452**	**1,866**	**2,442**
Attributable to:					
Owners of the Parent	1,276	1,742	2,112	1,597	2,106
Non-controlling interest	335	220	339	270	337
	1,611	1,962	2,452	1,866	2,442
Earnings per share attributable to the owners of the Parent:					
Basic and diluted earnings per share (*AED thousands*)	4,252	5,807	7,041	5,323	7,019

Consolidated Statement of Financial Position Data

	As at 31 December			As at 30 September
	2014	2015	2016	2017
	(AED millions)			
Assets				
Bank balances	7,394	9,461	9,754	10,167
Trade and unbilled receivables	720	1,054	1,472	1,346
Other assets, receivables, deposits and prepayments	592	909	1,777	2,855
Development properties	4,802	4,483	6,022	6,492
Loan to joint ventures	—	—	13	379
Property, plant and equipment	0.004	86	82	71
Total assets	**13,508**	**15,993**	**19,120**	**21,310**
Liabilities and Equity				
Liabilities				
Trade and other payables	2,699	2,830	3,032	3,548
Advances from customers	7,324	7,877	8,136	8,032
Retentions payable	408	432	419	473
Employees' end-of-service benefits	10	15	17	21
Total liabilities	**10,441**	**11,154**	**11,604**	**12,074**
Equity				
Equity attributable to owners of the Parent				
Share capital	0.3	0.3	0.3	0.3
Statutory reserve	0.2	0.2	0.2	0.2
Shareholder's contribution	2,737	4,289	6,752	8,356
	2,737	4,290	6,752	8,356
Non-controlling interests	329	549	764	880
Total equity	**3,067**	**4,839**	**7,516**	**9,236**
Total liabilities and equity	**13,508**	**15,993**	**19,120**	**21,310**

Consolidated Statement of Cash Flows Data

	Year ended 31 December			Nine months ended 30 September	
	2014	2015	2016	2016	2017
	(AED millions)				
Cash flows from operating activities					
Profit for the year/period	1,611	1,962	2,452	1,866	2,442
Adjustments for:					
Share of results of joint ventures	—	—	3	2	4
Depreciation	0.003	0.03	11	8	11
Provision for employees' end-of-service benefits, net	2	5	2	4	3
Provision/(reversal) for doubtful debts	—	19	(8)	—	—
Finance costs	36	16	14	11	11
Finance income	(140)	(61)	(124)	(87)	(90)
Cash from operations before working capital changes	1,508	1,941	2,349	1,803	2,381
Trade and unbilled receivables	(149)	(353)	(410)	(300)	126
Other assets, receivables, deposits and prepayments	(434)	(314)	(865)	(351)	(1,078)
Development properties	(967)	233	(1,539)	(1,000)	(469)
Advances from customers	3,366	553	259	289	(104)
Trade and other payables	131	115	189	407	516
Retentions payable	74	24	(13)	95	54
Net cash flows from/(used in) operating activities	**3,529**	**2,200**	**(31)**	**943**	**1,425**
Cash flows from investing activities					
Finance income received	43	57	122	82	91
Loan to a joint venture	—	—	(15)	(7)	(369)
Amounts incurred on property, plant and equipment	—	(0.07)	(7)	(8)	(0.056)
Investment in joint ventures	—	—	(0.15)	(0.15)	(0.15)
Deposits maturing after three months	(2,474)	182	(561)	(329)	1,092
Net cash flows (used in)/from investing activities	**(2,431)**	**239**	**(463)**	**(262)**	**813**
Cash flows from financing activities					
Finance costs paid	(32)	(0.8)	(0.6)	(11)	(11)
Repayment of loans to financial institutions	(760)	—	—	—	—
Dividends paid by a subsidiary to the non-controlling interests	—	—	(125)	—	(220)
Movement in shareholder's contribution	790	(190)	350	57	(502)
Net cash flows (used in)/from financing activities	**(2)**	**(191)**	**225**	**47**	**(733)**
Increase/(decrease) in cash and cash equivalents	**1,096**	**2,249**	**(269)**	**728**	**1,505**
Cash and cash equivalents at the beginning of the year/period	3,525	4,621	6,869	6,869	6,601
Cash and cash equivalents at the end of the year/period	**4,621**	**6,869**	**6,601**	**7,597**	**8,106**

Other Financial Information

	Year ended 31 December			Nine months ended 30 September		Last twelve months ended 30 September
	2014	2015	2016	2016	2017	2017
EBITDA (*AED millions*)(1)	1,507	1,917	2,353	1,798	2,374	n/a
EBITDA margin (%)(2)	48%	36%	34%	35%	36%	n/a
ROCE (%)(3)	49%	40%	31%	n/a	n/a	32%

Notes:

(1) The table below sets forth a reconciliation of EBITDA to profit for the year/period:

	Year ended 31 December			Nine months ended 30 September	
	2014	2015	2016	2016	2017
	(AED millions)				
Profit for the year/period	1,611	1,962	2,452	1,866	2,442
Add:					
Finance costs	36	16	14	11	11
Depreciation of property, plant and equipment	0.003	0.03	11	8	11
Finance income	(140)	(61)	(124)	(87)	(90)
EBITDA	1,507	1,917	2,353	1,798	2,374

(2) EBITDA as a percentage of total revenues for the corresponding period.

(3) Return on capital employed, calculated as earnings before interest and tax divided by total assets minus liabilities (trade and other payables, advances from customers, retention payable and employees' end-of-service benefits) for the relevant period.

The following table sets out our calculation of ROCE for the year/period indicated:

	Year ended or as at 31 December			Last twelve months ended or as at 30 September
	2014	2015	2016	2017
	(AED millions)			
Earnings before interest and tax*	1,507	1,917	2,342	2,915
Total assets	13,508	15,993	19,120	21,310
Trade and other payables	2,699	2,830	3,032	3,548
Advances from customers	7,324	7,877	8,136	8,032
Retentions payable	408	432	419	473
Employees' end-of-service benefits	10	15	17	21
ROCE	**49%**	**40%**	**31%**	**32%**

* The table below sets forth a reconciliation of earnings before interest and tax to profit for the year/period:

	Year ended 31 December			Last twelve months ended 30 September**
	2014	2015	2016	2017
	(AED millions)			
Profit for the year/period	1,611	1,962	2,452	3,028
Add:				
Finance costs	36	16	14	14
Finance income	(140)	(61)	(124)	(127)
Earnings before interest and tax	**1,507**	**1,917**	**2,342**	**2,915**

** The unaudited financial information for the twelve months ended 30 September 2017 has been derived by performing the mathematical exercise of aggregating the relevant results for the year ended 31 December 2016 and the nine months ended 30 September 2017 and subtracting the results for the nine months ended 30 September 2016, as set forth in the table below. These results are for illustrative purposes only and have not been subject to audit or review.

	Year ended 31 December	Nine months ended 30 September		Last twelve months ended 30 September
	2016	2016	2017	2017
		(AED millions)		
Profit for the year/period	2,452	1,866	2,442	3,028
Add:				
Finance costs	14	11	11	14
Finance income	(124)	(87)	(90)	(127)

Certain Operating Data

The table below sets out the evolution of our BTS land bank through investments and our strategic partnerships.

	Year ended 31 December						Nine months ended 30 September
	2011	2012	2013	2014	2015	2016	2017
				(million sq ft)			
Gross floor area BTS	13	18	78	167	198	199	211
Gross land area BTS	9	25(1)	114(2)	162(3)	231(4)	233(5)	234(6)

Notes:

Includes GFA developed or under development through the periods presented.

(1) Arabian Ranches II was added to the land bank in 2012.

(2) Dubai Hills Estate was added to the land bank in 2013.

(3) Dubai Creek Harbour was added to the land bank in 2014.

(4) Emaar South was added to the land bank in 2015.

(5) Downtown Views was added to the land bank in 2016.

(6) Zabeel Square & Dubai Harbour were added to the land bank in 2017.

The table below sets out our sales in AED millions and by number of units sold for the periods indicated.

	Year ended 31 December					Nine months ended 30 September
	2012	2013	2014	2015	2016	2017
Sales (*AED millions*)	4,256	12,869	12,338	10,227	14,411	15,361
Sales (*thousands of units*)	1.8	3.4	3.2	3.0	4.7	6.5

Note:

(1) Inclusive of 100 per cent. of joint venture and joint development project sales; not a reflection of our proportional share. Our entitlement/share of joint venture profit is 50 per cent.

The table below sets out our quarterly sales in AED millions and by number of units sold for the periods indicated.

	Three months ended 31 March		Three months ended 30 June		Three months ended 30 September	
	2016	2017	2016	2017	2016	2017
Sales (*AED millions*)	4,193	6,049	4,660	4,765	2,748	4,547
Sales (*thousands of units*)	1.3	2.6	1.3	2.2	1.2	1.8

Note:

(1) Inclusive of 100 per cent. of joint venture and joint development project sales; not a reflection of our proportional share. Our entitlement/share of joint venture profit is 50 per cent.

The tables below set out certain information about our units sold, subdivided by units sold through developments which are (i) 100 per cent. owned, (ii) through the Dubai Hills Estate joint venture or Dubai Creek Harbour joint development agreement, or (iii) through our other joint ventures.

	Year ended 31 December				Nine months ended 30 September
	2013	2014	2015	2016	2017
	Number of Units Sold ('000 units)				
100% owned[(1)]	3.4	2.2	1.5	1.6	2.5
Dubai Hills Estate	—	0.6	1.1	1.6	1.9
Dubai Creek Harbour	—	0.4	0.4	1.2	1.7
Other joint ventures[(2)]	—	—	—	0.3	0.5
Total	3.4	3.2	3.0	4.7	6.5
	Value of Units Sold (AED millions)				
100% owned[(1)]	12,104	9,755	5,656	5,592	6,732
Dubai Hills Estate	765	1,787	3,615	6,490	4,887
Dubai Creek Harbour	—	796	957	2,033	3,096
Other joint ventures[(2)]	—	—	—	296	646
Total	12,869	12,338	10,227	14,411	15,361

Notes:

(1) 100% owned projects comprise Downtown Dubai, Dubai Marina, Emirates Living and Arabian Ranches.

(2) Other joint ventures comprises Emaar South.

The table below sets out our scheduled delivery of residential unit projects that had been launched as at 30 September 2017.

	Scheduled Delivery of Launched Projects			
	As at 31 December			
	2017	2018	2019	2020
	('000 units)			
100% owned[(1)]	1.7	3.9	1.8	3.8
Dubai Hills Estate	—	0.7	3.8	1.7
Dubai Creek Harbour	—	0.9	1.2	2.1
Other joint ventures[(2)]	—	—	1.2	0.2
Total	1.7	5.4	8.0	7.7

Notes:

(1) 100% owned projects comprise Downtown Dubai, Dubai Marina, Emirates Living and Arabian Ranches.

(2) Other joint ventures comprise Emaar South.

The following table sets out the calculation of our Adjusted NAV as at 30 September 2017.

	As at 30 September 2017
	(AED bn)
GAV[(1)]	35.6
Debt[(2)]	(4.0)
Net other assets[(3)]	1.8
Net other assets from joint ventures[(4)]	0.5
Fair value of joint venture parties' interest[(5)]	(10.4)
NAV	23.5
Value of joint venture fees[(6)]	0.6
Adjusted NAV	**24.1**

Notes:

(1) Comprises AED15.2 billion GAV of wholly-owned properties and AED20.3 billion GAV of joint ventures (of which we have a 50 per cent. share) and joint development agreements. Does not include Dubai Harbour.

(2) Calculated as bank borrowings, pro forma for the AED3,967 million drawdown of the credit facility made on 30 October 2017.

(3) Total assets less total liabilities. Excludes Dubai Hills Estate. Includes Dubai Harbour to the extent payment has been made but is not reflective of the full land.

(4) Includes Dubai Hills Estate.

(5) Joint Venture GAV plus total joint venture other assets, less total joint venture liabilities, multiplied by 0.5.

(6) Management and development fees payable to us by our joint ventures.

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in us and the Shares which should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, our business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in us and the Shares. Additional risks and uncertainties not currently known to us or which we currently deem immaterial may arise or become material in the future and may have a material adverse effect on our business, results of operations, financial condition, prospects or the price of the Shares.

Risks Relating to Our Business

The concentration of our property portfolio exposes us to fluctuations in demand for residential real estate in the UAE

The substantial majority of our property portfolio is located in Dubai. As an increasing number of real estate developments are launched and reach completion, the number of residential properties available in the Dubai market may exceed the demand for such properties, leading to saturation. If the property market in Dubai were to become saturated, or demand for residential properties in Dubai were to decline or to be lower than expected, we could have to sell our properties at reduced prices, or at a loss, or may not be able to sell them at all. In addition, a large portion of our customers purchase properties as investments, generally with a view to selling them for profit or leasing them for rental income. Any perceived or actual oversupply of residential properties in Dubai for sale may result in potential customers experiencing difficulty selling properties purchased from us, either for an expected profit or at all. In addition, any perceived or actual over supply of residential rental properties in Dubai, or a decrease in demand for rental properties, may cause rental rates to decline. This could result in a decrease in demand for our properties from customers who expect to receive revenue from the part- or full-time rental of their properties.

As at 30 September 2017, our sales backlog was AED41 billion and we are scheduled to deliver approximately 24,000 residential units over the next four years. There can be no assurance that our sales backlog will be realised or that there is sufficient demand in the Dubai residential real estate market to absorb all of the residential units that we will deliver at the prices we anticipate or at all. As our revenue is derived almost entirely from the sale of our residential units in Dubai, any adverse change in the demand for the reasons set out above or otherwise could have a material adverse effect on our business, financial condition and results of operations.

The substantial majority of our property portfolio is located in Dubai, and our financial performance is therefore dependent on economic and political conditions in Dubai and the surrounding regions

With the exception of one of our landbank plots, all of our projects are located in Dubai. Consequently, our business, results of operations and financial condition could be adversely affected by changes in economic, political or social conditions in Dubai and the surrounding regions.

Although economic growth rates in the UAE remain above those of many more developed, as well as regional, markets, the UAE has experienced slower economic growth in recent years, following the downturn experienced as a result of the global financial crisis in 2008. There can be no assurance that economic growth or performance in Dubai or the UAE, in general, will be sustained. The UAE, as well as many of the Gulf Cooperation Council ("GCC") countries from which we source our customers, depend in particular on revenue from oil and oil products, the prices of which have declined sharply in recent years and have continued to remain volatile, with current pricing levels well below historic highs. In addition, the economy of the UAE and Dubai, in particular, is heavily dependent upon expatriate workers, who have historically made up a significant portion of our customers. If the economies of the UAE or Dubai suffer another decline, or if government intervention fails to support or otherwise restricts or limits the economic growth of the expatriate or general real estate investment community, our business, results of operations and financial condition could be adversely affected.

The property and construction markets in the UAE, in particular, are affected by macroeconomic factors that are beyond our control, such as real estate market conditions generally, changes in interest rates, consumer spending, inflation rates, real estate taxes, and the availability and cost of financing. Although following the global financial crisis the real estate market in Dubai experienced a recovery in demand and pricing during the period from 2011 to the middle of 2015, which resulted in increased sales for our projects compared to similar periods in 2009 to 2011, the market slowed again in the second half of 2015 and in 2016. Pricing in 2017 has remained in line with 2016 levels, notwithstanding increases in sales, and remains below the 2014 peak. There can be no assurance that the current demand and pricing levels for real estate in Dubai will persist. In addition, the Government of Dubai has set ambitious goals for development, including in connection with the Dubai 2020 Expo and the Dubai Vision 2030 Plan. A failure to meet these goals could create a negative perception of Dubai's development prospects generally and the real estate market in particular. Any resulting decrease in demand or pricing could cause our financial performance to deteriorate.

While the UAE is currently seen as a relatively stable political environment, certain other jurisdictions in the Middle East have experienced political instability and there is no guarantee that political stability in the UAE will continue in the future. Since late 2010, there has been political and civil unrest in a range of countries in the Middle East and North Africa ("MENA") region, including Egypt, Qatar, the Kingdom of Saudi Arabia ("KSA"), Syria, Lebanon and Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict, and has given rise to increased political uncertainty across the region. More recently, the governments of the UAE, Saudi Arabia, Bahrain and Egypt have imposed a blockade on Qatar after accusing Qatar of supporting terrorist activity in the region.

Continuing instability and unrest in the MENA region may significantly affect the UAE and Dubai. Although the UAE has not been directly affected by the unrest in the MENA region to date, it is unclear what impact this unrest could have on the regional economy, levels of foreign direct investment in the UAE and Dubai's attractiveness as a tourist and residential destination. The occurrence of any or all of these factors could have a material adverse effect on our business, results of operations and financial condition.

The continued success of our business is dependent in part upon the wealth of domestic and international investors, as well as the continued appeal of Dubai and the UAE as real estate investment markets

Our business is dependent on the levels of disposable income and investment capital of individuals in the UAE and elsewhere, particularly KSA and India, as well as new markets, such as China. In addition, we benefit from a strong base of repeat customers, who in the nine months ended 30 September 2017, had purchased an average of 2.7 of our residential units and accounted for 44 per cent. of our sales. The wealth of these individuals is affected, in part, by the performance of the international real estate, financial and consumer markets, and the deployment of their disposable income is affected by a variety of factors, including alternative investment opportunities and returns, the availability of financing, including mortgages, as well as foreign currency exposure, interest rates, inflation and tax rates. The global financial crisis in 2008 had a material adverse effect on the levels of disposable income and wealth of individuals worldwide and, therefore, on the demand for properties in the Dubai market. Although the global financial markets have since recovered, any factors that adversely affect the wealth of residential real estate investors and/or the desirability of the Dubai real estate market as an investment outlet for domestic and international investors could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks associated with our joint ventures

A significant proportion of our land bank has historically been sourced through the contribution of land by our joint venture partners, which allows us to acquire land with minimal upfront cash contributions. In line with this strategy, we expect most of our land bank to be sourced through similar arrangements in the near to medium-term. Therefore, co-operation and agreement with our joint venture partners on existing and future projects are essential for the smooth operation and financial success of such projects and our business. However, our joint venture partners may have economic or business interests or goals that are inconsistent with ours, be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements, or experience financial or other difficulties. In addition, disputes with our joint venture partners may arise in the future that could adversely affect our joint venture projects. In many cases, our joint venture partners are our competitors. In addition, many of our joint venture partners are directly or indirectly owned by government related entities ("GREs"), which further exposes us to additional risks, including the need to satisfy both political and regulatory demands and the need to react to differences in focus or priorities, both of which can lead to delays in decision making, thereby increasing costs and exposure to competition.

Furthermore, we may not be able to control the decision-making process of the joint ventures without the cooperation of our joint venture partners, particularly when we do not have a majority control of the joint venture. Pursuant to the agreements governing our joint ventures, we are responsible for the development of the BTS assets of each project and are paid a development fee in respect of the BTL and BTO assets. We are entitled to invoice the Dubai Hills Estate, Zabeel Square and Emaar South joint ventures for reimbursement of costs incurred for the development of the BTL and BTO assets. If these joint ventures fail to reimburse us or if our joint venture partners seek amendments to the joint venture arrangements, or otherwise pursue actions adverse to our interests, this could have a material adverse effect on our business, results of operations and financial condition. For a more detailed description of these agreements, see "*Related Party Transactions and Material Contracts*".

In addition, our ability to expand in the future will continue to depend upon the availability of suitable and willing joint venture partners, including, in particular, those with high quality land banks, our ability to complete the relevant transactions and the availability of financing on commercially acceptable terms. We cannot give any assurance that we will be successful in establishing any future joint ventures or that, once established, a joint venture will be profitable. If a joint venture is unsuccessful, we may be unable to recoup our initial investment. In addition, our inability to realise joint venture opportunities may result in our losing access to premium plots of land which might be developed by our competitors and/or require us to incur significant capital expenditure to acquire land plots in the future.

Any of these factors, alone or in combination, could lead to a decline in construction quality, delays in project delivery, reputational risks and higher capital expenditure and/or funding costs, which could have a material adverse effect on our business, results of operations and financial condition.

Our projects may be delayed, suspended, terminated or materially changed in scope, resulting in delayed recognition of revenue and damage to our reputation

There are a number of construction, financing, operating and other risks associated with property development. Due to their extensive nature, our projects require considerable capital expenditure during the initial phases. We recognise revenue from our projects according to the percentage completion of the construction process. Payments by our customers are also tied to construction milestones, as are the development fees paid to us by Emaar Properties with respect to the BTL and BTO assets within our projects. Material delays in the construction process will, consequently, delay payments due from customers and Emaar Properties, as well as the revenue we are able to recognise. While we frequently experience construction delays in the ordinary course of business and such delays have historically been made up in subsequent stages of a project, delays can have a significant impact on the associated timing of revenue recognition, which could lead to potentially significant fluctuations in our financial results on a quarterly basis. This is particularly true with respect to high value projects where even a small delay in construction progress can result in delays in large amounts of revenue being recognised. The time taken and the costs involved to complete construction can be adversely affected by many factors, including:

- delays in obtaining all, or refusals of any, necessary zoning, land use, building, development, occupancy and other required governmental permits, requisite licences, permits, approvals and authorisations (including due to new regulatory frameworks);
- unforeseen engineering, environmental or geological problems;
- our inability to obtain necessary financing arrangements on acceptable terms, or at all, and otherwise fund construction and capital improvements and provide any necessary performance guarantees;
- defaults by, or the bankruptcy or insolvency of, contractors and other counterparties;
- inadequate supporting infrastructure, including as a result of failure by third parties to provide utilities and transportation and other links that are necessary or desirable for the successful operation of a project;
- design or construction defects and otherwise failing to complete projects according to design specification;
- shortages of, or defective, materials and/or equipment, labour shortages, shortages of other necessary supplies and/or disputes with contractors or sub-contractors;
- availability of suitable land (including through joint venture partners);
- increases in the cost of construction materials (for example, raw materials such as steel and other commodities common in the construction industry), energy, building equipment (including, in particular, cranes), labour and/or other necessary supplies (due to rising commodity prices or inflation or otherwise);
- shortages of project managers, contractors and construction specialists, both internally and externally, to ensure that planned projects are delivered both on time and on budget;
- strikes and work stoppages or other labour disputes or disturbances affecting our projects, contractors, sub-contractors or suppliers;

- the failure of contractors to meet agreed timetables, in particular with respect to more complex or technically challenging developments (for example, due to the scale, height or complex design of a development);
- adverse weather conditions, natural disasters, accidents, force majeure events and/or changes in governmental priorities;
- increases in the supply of properties from competitors during the construction of certain projects; and
- changes in demand trends due to, among other things, a shift in buyer preferences, a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation hubs or population density or otherwise.

Any of these factors could give rise to delays in the completion of construction and/or result in construction costs exceeding budgeted amounts. Projects subject to delays or cost overruns may take longer or fail to generate the revenue, cash flow and profit margins that were originally anticipated. In addition, the targeted return on the investment in the project may not be realised. There can be no assurance that the revenue that we are able to generate from our projects will be sufficient to cover the associated construction costs. The occurrence of any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

Our off-plan sales model exposes us to reputational risks and liabilities

Our business model is based on selling a significant number of our residential units "off-plan" or in the early stages of construction. The completion of a given project is dependent on a number of factors, including macroeconomic conditions, timely delivery on the part of our contractors and sub-contractors and the absence of any force majeure. If a project with pre-sale commitments from customers is delayed or cancelled, customers may bring civil claims against us. Even where customers have no contractual right to terminate their contract with us and/or to demand repayment of monies paid, if we fail to deliver a residential unit, under Dubai law, a customer may seek to claim reimbursement from us together with interest. In addition, our projects comprise integrated lifestyle master plan communities, which contain amenities and conveniences such as retail areas, supermarkets, clinics and medical centres, schools and parks, many of which will be funded and owned by other companies in the Emaar Group. If substantial parts of these amenities are delayed, cancelled or changed, customers who have acquired residential units in affected developments may not be able to enjoy the services or the overall environment which they may have expected when the project was originally launched. Delays in completion or cancellation of all or a portion of a project could also adversely affect our reputation and ability to attract future customers. Any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition.

Real estate valuation is inherently subjective

The Valuation Report contained in this Prospectus provides a hypothetical value of our properties and development projects, based on the assumptions made therein, and is based on certain material assumptions which have not been confirmed or investigated by JLL or any other third party. The assumptions are described in the Valuation Report and include, among others, special assumptions relating to the status of title, encumbrance of interests and the estimated timing of completion of infrastructure works. JLL conducted a property-by-property valuation of our properties and development projects, and these valuations may exceed the value that could be obtained in connection with a concurrent sale of all of our properties.

Our property assets are inherently difficult to value. Factors such as changes in regulatory requirements and applicable laws (including in relation to building and environmental regulations, taxation and planning), political conditions, the condition of financial markets and real estate markets, the financial condition of customers, potential adverse tax consequences, and interest and inflation rate fluctuations all mean that valuations are subject to uncertainty. The judgement of our management, as well as of JLL, significantly impacts the determination of the value of our projects, particularly with respect to joint venture projects and land bank projects. As a result, the valuations contained in this Prospectus are subject to substantial uncertainty and are made on the basis of assumptions which may not be correct. No assurance can be made that the valuations of our projects will reflect actual sale prices, even where any such sale occurs shortly after the relevant valuation date. Neither should the valuations be taken as an indication of the availability of financing for the potential sale of any of our projects or an indication of continuing demand for any of our projects. Significant differences between valuations and actual sales prices could have a material adverse effect on our business, financial condition and results of operations.

In addition, a key component of determining the value of a project is based on the assessment by management and JLL of real estate market conditions in Dubai. The Dubai real estate market is in turn affected by many factors such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control and may adversely impact projects after their most recent valuation date. As a result, any material decline in the real estate market in Dubai could have a material adverse effect on our business, results of operations and financial condition.

Real estate investments are illiquid

Because real estate investments are generally illiquid, and due to the cyclicality of real estate markets, our ability to promptly sell one or more of our projects in response to changing political, economic, financial and investment conditions is limited. The real estate market is affected by many factors that are beyond our control. In addition, to the extent we require third-party funding to develop our projects, we may be required to grant a mortgage over certain projects, or parts thereof, to secure our payment obligations, which could preclude us from selling such projects or affected residential units in the event of a default under such financing arrangements. There can be no assurance that the sale of units in any of our projects will be at a price which reflects the most recent valuation of the relevant project, particularly if we are forced to sell in adverse economic conditions. Any of these factors, alone or in combination, could have a material adverse effect on our real estate portfolio, which could in turn have a material adverse effect on our business, results of operations and financial condition.

We are dependent on our parent company, Emaar Properties, in many key areas of our business

Following the Global Offering, Emaar Properties will remain our controlling shareholder, and the development of our projects will remain closely associated with, and in some respects be dependent upon, Emaar Properties. For example, Emaar Properties will remain responsible for securing tenants and negotiating leasing arrangements for the BTL assets within our integrated lifestyle master plan communities. If Emaar Properties is not able to secure high quality tenants for these BTL assets, the desirability of the BTS assets within the relevant development may decrease. Furthermore, Emaar Community Management ("ECM") (a subsidiary of Emaar Properties) manages our developments once they have been completed, including providing landscaping, maintenance, security and other services which play a significant role in ongoing customer satisfaction. If these services are not provided to the requisite standard and customer satisfaction with our developments decreases, our reputation could be adversely affected.

In addition, pursuant to the terms of the Master Transfer Agreement, Emaar Properties is required to prefund development expenses incurred in relation to those developments and to indemnify us in the event of an unforeseen tax liability or other regulatory issue. Emaar Properties has also undertaken to prefund infrastructure costs and, to the extent necessary, to prefund our expected share of profits relating to the BTS assets at Dubai Creek Harbour. To the extent that any assets have not been validly transferred to us pursuant to the Master Transfer Agreement, Emaar Properties has agreed to continue to hold such assets for our benefit. If Emaar Properties fails to meet its obligations pursuant to these undertakings, our business, results of operations and financial condition could be adversely affected. We have also entered into agreements with Emaar Properties which cover the use of the Emaar name and certain other trademarks, the lease of Emaar Properties' principal sales centre on the Boulevard in Downtown Dubai. There can be no assurance that we will be able to achieve market terms in any transactions carried out pursuant to these agreements, particularly in circumstances where no unrelated third parties are able to offer us comparable services, or that these agreements will be sufficient to cover the needs of our business in the relevant areas. For further details on the Master Transfer Agreement and the other agreements, please see "*Related Party Transactions and Material Contracts*".

We rely on the strength of the Emaar brand

We rely on brand recognition and the goodwill associated with the Emaar brand. Therefore, the name "Emaar" and its associated trading names and trademarks are key to our business. We have obtained a license for the use of the Emaar brand and name, as well as the names of our projects, from Emaar Properties pursuant to the IP Licence Agreement. The reputation associated with the Emaar brand supports our business, including our ability to maintain premium pricing for our residential units. The Emaar brand is also used by Emaar Properties and other companies within the Emaar Group that are outside of our control. A deterioration of the value of the Emaar brand whether due to property related issues, customer complaints, adverse publicity, legal action, third-party infringements or other factors, could have a material adverse effect on our business, results of operations and financial condition.

We face competition in property development

We face competition for the development of real estate from other property developers in the UAE. In particular, the population growth of Dubai from 1.3 million in 2005 to an estimated 2.7 million in 2016 (as estimated by the Dubai Statistics Centre), along with the growth in business and leisure travel to Dubai, contributed to an increase in the number of participants in the Dubai real estate market and the number of new developments opening and being announced over this period. Competition may affect our ability to sell our projects at expected prices, if at all. Our competitors may lower their pricing for comparable developments, which could result in downward pricing pressure. In addition, the Government of Dubai could decide to support new entrants or other property development companies to implement its general development strategy, which would further increase competition. We also face the risk that competitors may anticipate and capitalise on certain potential investment opportunities in advance of our doing so. Increased competition may also increase our costs of financing, materials, contractors and sub-contractors. Certain of our competitors may have greater financial, technical, marketing or other resources, including with respect to the size and quality of their landbanks, and, therefore, may be able to withstand increased costs, price competition and volatility more successfully. Any oversupply or competition in our market could have a material adverse effect on our business, results of operations and financial condition.

Property developers may also consolidate to achieve economies of scale. If consolidation in the Dubai real estate market were to occur, there is a risk that we would have to operate in a more competitive market place and against larger competitors than we have had historically. Furthermore, given economic downturns in recent years and the strategy of investors to diversify their investments and re-examine the robustness of various real estate markets in the region, Dubai may see demand for its real estate market decrease in favour of other real estate markets in the region. These circumstances could have a material adverse effect on our business, results of operations and financial condition.

Our business strategy depends on our ability to successfully develop our projects

The successful implementation of our strategy will require us to maintain our leadership position in the Dubai residential real estate market, actively managing our projects to deliver value for customers, preserving positive working relationships with our joint venture partners and other counterparties and maintaining our sound financial position. Successful development of current and future projects will depend significantly on our ability to complete milestones on time and within budget and on the availability of adequate external financing or cash in hand. As at 30 September 2017, we had a sales backlog of AED41 billion and expect to deliver approximately 24,000 residential units over the next four years. There can be no assurance that our sales backlog will be realised in full, or that we will deliver all of the planned residential units on time or sell them at expected margins. In addition, we have a significant land bank on which to develop future projects, and there can be no assurance that it will be developed within our expected timeframe or at all.

Our integrated lifestyle master plan communities take a substantial amount of time to complete, from the initial master planning phase to the completion of construction, and our ability to make changes to our development plans in response to changing consumer tastes and preferences is limited. While our projects cover a wide range of residential property options, including villas, bungalows, townhouses and mid- and high-rise apartments, with a variety of community amenities, there can be no assurance that they will remain attractive to prospective customers. In addition, our integrated lifestyle master plan communities are anchored around retail and entertainment complexes. If these complexes are not viewed positively within the communities in which they are situated because of the existence of similar facilities elsewhere in Dubai or their mix of retail, entertainment and other amenities, the attractiveness of our integrated lifestyle master plan communities to prospective purchasers could also decrease, which could have a material adverse effect on our business, results of operations and financial condition.

We rely on experienced third-party contractors and sub-contractors to construct our projects

All construction activities associated with our projects are undertaken by third-party contractors and sub-contractors. While we have historically had access to experienced contractors there can be no guarantee that we will continue to have such access in the future, or that the costs associated with hiring experienced contractors will not increase due to higher levels of competition for their services or otherwise. Furthermore, our property developments are complex, and in addition to our reliance on the main contractors who oversee their construction and assist in elements of the design and planning process, we are also dependent on access to numerous specialist sub-contractors to complete our projects in accordance with our high standards. Accordingly, there can be no assurance that the quality of construction of our completed and ongoing projects will be maintained on our future projects, particularly if we have difficulty accessing the specialist sub-contractors we require. Although we believe that we have a strong reputation for developing high quality projects, any difference in the quality of construction from project to project could adversely affect our brand and have a material adverse effect on our business, results of operations or financial condition.

Our contractors typically provide a one-year warranty on their workmanship and generally remain liable for structural defects for a period of 10 years. We, in turn, typically offer our customers a one-year warranty on the workmanship in their residential unit and generally remain liable for structural defects for a period of 10 years. If a contractor defaults on its warranty or liability in relation to the correction of a workmanship-related or structural defect which is discovered during the relevant period, we may not be able to locate another suitably qualified contractor to rectify the defect in a timely manner or at all and may not be able to recover the cost of any repairs from the defaulting contractor. Furthermore, if a significant number of customers encounter workmanship or structural defects and these are not rectified in a timely and satisfactory manner, our reputation may be adversely affected, which could have a material adverse effect on our business, results of operations and financial condition. Although we have taken provisions in our financial statements for these warranties which, historically, have significantly exceeded any claims made under our warranties, there can be no assurance that this will continue to be the case in the future.

If our contractors' relationships with their employees deteriorate, we may be faced with labour shortages or stoppages, which could adversely affect our ability to develop our projects

Our projects have in the past, and may in the future, be impacted by strikes and work stoppages by our contractors' employees. The contractors we engage for the construction of our projects source the majority of their workers from countries outside of the UAE using recruitment agencies. In recent years, the policies and practices with respect to the recruitment, compensation and treatment of construction workers in the UAE and other GCC countries has come under increased scrutiny. While we seek to impose standards for the compliance with all relevant laws and regulations by our contractors through our agreements with them, the treatment and status of their workers is ultimately outside of our control. Our contractors' relations with their employees could deteriorate due to disputes related to the level of wages, accommodation or benefits or their response to changes in government regulation of workers and the workplace. In addition, changes in regulations such as more restrictive visa requirements or immigration laws relating to the employment in Dubai of unskilled labour could lead to a shortage of workers available to our contractors. As we rely heavily on our contractors to provide a high quality service, any labour shortage or stoppage could adversely affect our ability to complete our projects on time, which could expose us to liability and damage our reputation.

We are exposed to the risk of default by our contractors

Should one of our contractors or suppliers default on its arrangements with us for any reason, including as a result of its bankruptcy or insolvency, or if our relationship with a contractor or supplier deteriorates, we may not be able to find a suitably qualified replacement promptly, on similar terms or at all. In addition, any new contractor or supplier may need time to familiarise itself with the ongoing project, causing a further delay in the completion of the project. We may also be exposed to the risk that the alternative contractor or supplier fails to meet our high standards for workmanship and quality. In addition, some contractors may require licences or permits to work for us and there can be no assurance that a successor contractor could be found in a timely manner with the requisite approvals and licences. If any of these events were to occur, it could affect our ability to complete the affected project(s), which could have a material adverse effect on our business, results of operations and financial condition.

Our projects may be subject to delays due to utility and road infrastructure providers' inability to provide required services and connections to our developments within project delivery times

Access to certain of our projects is dependent on the completion of connecting infrastructure, such as roads and utilities for which third party Government utilities and agencies are responsible. There can be no assurance that material delays in delivering our projects will not occur as a result of delays in the connection of infrastructure. For example, in Dubai, the demand for electricity, water and gas has increased substantially in the past decade and may continue to increase in the future if the development and population of Dubai continues to expand. Our current projects may be delayed and future projects may be hindered due to the inability of utility providers to provide the required levels of water and power generation and connections for these utilities in a timely manner. Any delays in our projects, even when outside of our control, may adversely affect our brand and reputation, as well as increase the costs associated with affected projects, and could have a material adverse effect on our business, results of operations and financial condition.

Our business model relies on cash from off-plan sales to fund construction, and any significant decrease in the level of these sales could lead to the delay in completion or cancellation of projects

We finance our projects principally through internally generated cashflows that result primarily from the pre-sale of residential units, as well as the receipt of development fees paid by Emaar Properties and our joint venture partners, the reimbursement of development expenditures related to BTL/BTO assets and through third-party bank facilities. We may also require financing to fund land acquisitions, initial project development costs and capital expenditures and to support the ongoing development and future growth of our project portfolio.

In Dubai, customers pay purchase price instalments for off-plan sales of residential units directly into a designated escrow account with a local bank approved by RERA. Although this practice is not clearly stipulated in UAE Law No. 8 of 2007 (the "Escrow Law"), it is required by RERA. An escrow agent, also approved by RERA, determines when a developer is permitted to make withdrawals from the escrow account to pay consultants or contractors for the project (these withdrawals are usually permitted in stages as specified construction milestones are completed). The developer is also permitted to use up to five per cent. of the escrow funds for "soft costs" such as advertising and sales. If there are insufficient escrow funds, RERA may require the developer to top up the escrow account. Subject to the requirement to retain certain funds for remedial works for one year following the date on which the residential units are registered in the customers' names, the remainder of the escrow funds are released upon completion of the project, except for five per cent. of the receipts, which must be retained in the escrow account for one year from the date of completion. As a result, unless we have received permission from RERA to withdraw excess funds from the relevant escrow account, we are not able to finance the development of new projects using funds raised from the sale of existing projects until such projects are completed.

We may not have sufficient capital to undertake future land acquisitions and other investments that we may deem necessary or desirable. Where presales of residential units in a particular project are insufficient to fund its completion, we may have to seek external financing. Our ability to obtain external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in us and our area of business focus, the success of our business, provisions of tax and securities laws that may be applicable to our ability to raise capital and political and economic conditions in the UAE. There can be no assurance that additional financing, either on a short-term or long-term basis, will be available or, if available, that such financing will be obtained on terms favourable to us. We may also be required to provide security over our assets to obtain any such financing and/or agree to contractual limitations on the operations of our business. An inability to obtain additional financing on terms favourable to us or at all could result in defaults on existing contracts, construction, completion delays and damage to our reputation as a reliable contractual counterpart, which, in turn, could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to the risk of customers defaulting on their purchase price instalments

We begin selling our projects when they are still off-plan. Upon buying a residential unit, the customer contractually agrees to pay us the purchase price in instalments on a pre-agreed payment schedule. We commence main construction works once we receive a sufficient portion of deposits (typically between 30 and 40 per cent. of the total value of the residential units sold), and we use the cash collected to cover initial phase construction costs. Subsequent purchase price instalments are used to fund further construction of the project. If, due to poor economic conditions, declines in property values or otherwise, a significant portion of customers were to default on paying their subsequent instalments at any particular stage in the construction of a project, we would be required to rely on local laws and regulations to seek to recover monies owed, which can be a costly and time consuming process. If we are unsuccessful, and are unable to obtain the relevant funds, this could jeopardise the completion of the project, which could have a material adverse effect on our business, results of operations and financial condition.

Our projects could be exposed to catastrophic events or acts of terrorism over which we have no control

Our projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic events, including:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- major accidents, including chemical, radioactive or other material environmental contamination;
- major epidemics affecting the health of persons in the MENA region and travel into the MENA region;

- fires resulting from faulty construction materials; and/or
- criminal acts or acts of terrorism.

The occurrence of any of these events at one or more of our projects, other projects associated with the Emaar Group, or in the UAE or MENA region more generally may cause disruptions to our operations, which could have a material adverse effect on our business, results of operations and financial condition. In addition, such an occurrence may increase the costs associated with our projects, may subject us to liability or impact our brand and reputation and may otherwise hinder the normal operation of our projects.

In December 2015, an electrical fault caused a fire at the Address Downtown, a property owned by Emaar Properties, and in April 2017, a construction accident caused a fire at the Address Residences Fountain Views complex, part of the Downtown Dubai Development. While the cost of these incidents were covered by our insurance and did not result in any injuries or fatalities, these and any future incidents could have a material adverse impact on our reputation as a developer of safe, high-quality properties.

The foregoing factors could have a material adverse effect on our business, results of operations and financial condition. The effect of any of these events on our financial condition and results of operations may be exacerbated to the extent that any such event involves risks for which we are uninsured or not fully insured.

We rely on our senior management team, certain employees and external sales agencies

We rely on our senior management for the implementation of our strategy and our day-to-day operations. Our continued success will depend on our ability to continue to retain and attract appropriately qualified personnel, including those with the relevant technical expertise in the real estate development sector, to operate our business. Competition for appropriately qualified technical, marketing and support personnel with the relevant expertise in the property development sector in the UAE is intense, and there can be no assurance that we will continue to be able to successfully recruit such personnel. Should we experience the loss of one or more of our key members of management or staff and be unable to replace them in a timely fashion (or at all) with other appropriately qualified and experienced individuals, our business, results of operations and financial condition could be adversely affected.

In addition, we contract with approximately 1,070 sales agencies in the UAE and internationally to market our projects, and such agencies were responsible for the sales of more than 70 per cent. of our residential units in each of the three years ended 31 December 2016. Our arrangements with these agencies are non-exclusive and on a commission basis. Although no single agency or group of affiliated agencies accounted for more than five per cent. of our sales during this period, the loss of one or more of our most successful third-party sales agencies could adversely affect our business.

The terms of our current and any future financings may restrict us from entering into certain transactions and/or limit our ability to respond to changing market conditions

Our current financing arrangements contain various covenants that limit our ability to engage in specified types of transactions, including, among other things, our ability to incur or guarantee additional financial indebtedness and/or grant security or create any security interests, in addition to maintaining certain financial ratios. These provisions may restrict our ability to respond to adverse economic conditions, which could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, if we secure additional funding in the future, such funding would increase our leverage and could thereby limit our ability to raise further funding, limit our ability to react to changes in the economy or the markets in which we operate, and/or prevent us from meeting our debt obligations. Additionally, incurring further debt could also, among other things:

- increase our vulnerability to general economic and industry conditions;
- increase the risk that we may be unable to pay the interest, profit payments or principal on any outstanding obligations;
- require us to provide security over certain of our assets;
- require a substantial portion of cash flow from operations to be dedicated to the payment of financing costs and repayment of principal on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- restrict us from making strategic acquisitions or cause us to make non-strategic divestitures;

- limit our ability to obtain additional financing for working capital, capital expenditures, project development, debt service requirements, acquisitions and general corporate or other purposes; and
- limit our ability to adjust to changing market conditions and place us at a competitive disadvantage compared to our competitors who are less highly leveraged.

Any of the foregoing consequences could have a material adverse effect on our business, results of operations and financial condition.

The regulatory framework governing the UAE and Dubai real estate market may be subject to change

We cannot predict the contents of any future legislation that is imposed or implemented by RERA or the Government of Dubai. While many of the real estate laws and regulations recently implemented, and to be implemented in the future, are intended to improve the real estate market in Dubai, the effects of the implementation of such laws are often uncertain, there may be difficulties or delays in enforcing them, and there can be no assurance that such laws and regulations will not impose more onerous obligations on us or have a material adverse effect on our business, results of operations and financial condition.

Prior to the Global Offering, our project portfolio was transferred from Emaar Properties to us. The contractual arrangements underpinning these transfers are bespoke and complex. Many of them required the consent and approval of the Dubai Land Department ("DLD"), the Real Estate Regulatory Agency (a regulatory arm of the DLD) ("RERA") and other government authorities. While we believe that we have maintained a positive dialogue with the relevant authorities and have all necessary approvals for the transfers, if any of the relevant authorities were to change their position and retroactively disapprove or impose additional taxes or charges on the transfers or interpret our rights under any of the arrangements differently, this could have a material adverse effect on our business, results of operations and financial condition. In particular, we are engaged in discussions with the DLD in relation to the application of the 4 per cent. registration fee of the properties' value as a result of converting to a public joint stock company ("Conversion Fees"), and the DLD confirmed that we will be exempt from the Conversion Fees. While we believe that the DLD will exempt us from the Conversion Fees, if the DLD was to change its position and impose the Conversion Fees on our conversion to a public joint stock company, this would result in an obligation to pay substantial fees which could have a material adverse effect on our cash flow and financial condition.

We are required to maintain and renew numerous licences and permits to operate

Our operations are required to comply with numerous laws and regulations, both at the local and national level, and require the maintenance and renewal of commercial licences and permits to conduct our business from the launch of a master plan, through construction to sales and marketing. Because of the complexities involved in procuring and maintaining numerous licences and permits, as well as in ensuring continued compliance with different and sometimes inconsistent local and national licensing regimes, we cannot give any assurance that we will at all times be in compliance with all of the requirements imposed on each of our projects, although we are not aware of any material breaches that currently exist. Our potential failure to comply with applicable laws and regulations or to obtain and maintain requisite approvals, certifications, permits and licences, whether intentional or unintentional, could lead to substantial sanctions, including criminal, civil or administrative penalties, revocation of our licences and/or increased regulatory scrutiny, and liability for damages. It could also result in contracts to which we are a party being deemed to be unenforceable or invalidate or increase the cost of the insurance that we maintain for our project portfolio (assuming it is covered for any consequential losses). For the most serious violations, we could also be forced to suspend operations until we obtain required approvals, certifications, permits or licences or otherwise bring our operations into compliance. In addition, any adverse publicity resulting from any compliance failure, particularly as regards the safety of projects, could negatively impact our reputation and have a material adverse effect on our business, results of operations and financial condition.

In addition, pursuant to Dubai Law No. 27 of 2007 ("Law No. 27" or the "Strata Law"), a real estate developer must register a master community declaration or a jointly owned property declaration with RERA, and the owners' association must subsequently be formed. However, Law No. 27 is not fully implemented in Dubai and, as a matter of practice, RERA does not register owners' associations but does accept the filing of the strata documents (i.e. master community declaration or jointly owned property declaration). In the absence of registration of strata documents with RERA, we will remain responsible for the management of the common areas of our projects, including the collection of the service charges. We may also not be able to enforce the relevant provisions of Law No. 27 requiring purchasers and/or end users to comply with the rules of the strata documentation. For further detail, please see "*Regulation of Real Estate in Dubai*".

Furthermore, changes to existing, or the introduction of new laws, regulations or licensing requirements are beyond our control and may be influenced by political or commercial considerations not aligned with our interests. Any such laws, regulations or licensing requirements could adversely affect our business by reducing our revenue and/or increasing our operating costs, and we may be unable to mitigate the impact of such changes. Any of these occurrences could have a material adverse effect on our business, results of operations and financial condition.

We may incur unanticipated costs related to compliance with health and safety and environmental laws and regulations

We have adopted safety standards to comply with applicable laws and regulations, and safety requirements are contractually agreed with our contractors. If we and/or our contractors fail to comply with the relevant standards, either or both may be liable for penalties and our business and/or reputation might be materially and adversely affected.

In addition, we seek to ensure that we and our contractors comply with all applicable environmental, health and safety laws. While we believe we are in material compliance with such laws, there can be no assurance that we will not be subject to potential liability, including remediation obligations with respect to contaminated project sites or liability in the event of an accident at one of our projects. If an environmental liability arises in relation to, or an accident occurs at, any project owned or developed by us and it is not remedied, is not capable of being remedied or is required to be remedied at our cost, this may have a material adverse effect on the relevant project, our reputation and our business, results of operations and financial condition, either because of the cost implications for us or because of disruption to services provided at the relevant project. Moreover, it may result in a reduction of the value of the relevant project or affect our ability to dispose of such project.

Amendments to existing laws and regulations relating to health and safety standards and the environment may impose more onerous requirements on us and subject our developments to more rigorous scrutiny than is currently the case. Our compliance with such laws or regulations may necessitate further capital expenditure or subject us to other obligations or liabilities, which could have a material adverse effect on our business, results of operations and financial condition.

We may not have adequate insurance to cover potential losses

Although we seek to ensure that our projects are appropriately insured, no assurance can be given that any of our existing insurance policies will be sufficient to cover losses arising from certain events or will be renewed on equivalent, commercially reasonable terms or at all. In addition, given the volatility and complexity of our market, certain types of risks and losses are either uninsurable or uneconomical to insure (for example, among others, risks or losses relating to war, terrorism, geo-political climate, threats to cyber security, currency fluctuation, general economic crisis and inadequate succession planning). Furthermore, it may be difficult to identify appropriate insurance solutions to cover these risks, given the vast variety and complexity of products offered in the insurance market in recent years.

The occurrence of an uninsured or uninsurable loss could result in the loss of all or part of the capital invested in, or unrecoverable costs incurred to rectify the loss or pay compensation and anticipated future revenues relating to, any project that is damaged or destroyed. We may also remain liable for any debt or mortgage, indebtedness or other financial obligations related to the relevant project. The occurrence of any such event could have a material adverse effect on our business, results of operations and financial condition.

In preparation for the Global Offering, we have implemented a number of new policies, processes, systems and controls which have a limited operating history

To date, we have operated as part of Emaar Properties, with policies, processes, systems and controls appropriate for a company of our size that has been part of a larger corporate group. In preparation for the Global Offering, we have implemented a number of new policies, processes, systems and controls to comply with the requirements for a publicly listed company on the DFM. While we believe that we will be in full compliance with these requirements from Admission, we have not been able to assess their performance over an extended period of time and therefore cannot provide assurances as to their efficacy. We will also continue to rely on certain services and systems provided by Emaar Properties, pursuant to the Relationship Agreement. As our business continues to grow, we will need to continue to develop and implement appropriate policies and controls. Any material inadequacies, weaknesses or failures in our policies, processes, systems and controls could have a material adverse effect on our business, results of operations and financial condition.

In the ordinary course of business, we may become subject to lawsuits

From time to time, we may in the ordinary course of business, be named as defendant in lawsuits, claims and other legal proceedings. Disputes may also arise in connection with construction or other contracts or agreements entered into with contractors, customers or other third parties. These actions may seek, among other things, compensation for alleged losses, civil penalties or injunctive or declaratory relief. If any such action is ultimately resolved unfavourably, and we are required to bear all or a portion of the costs arising as a result of a lack of, or inadequate insurance proceeds, the outcome could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to interest rate volatility and inflation

Interest rates are highly sensitive to factors beyond our control, including the interest rate and other monetary policies of governments and central banks where our customers and potential customers are located and in whose currencies we borrow. If interest rates increase, we will be obliged to pay a higher rate of interest on our debt. Paying a higher rate of interest on our floating rate debt would result in an increase in our interest expense and may have a material adverse effect on our business, results of operations and financial condition.

Interest rates may also impact the attractiveness of real estate as an investment opportunity. Since the global financial crisis, interest rates have remained at historic lows. In recent years, rental yields available on residential investment properties in Dubai, such as the projects we develop, have been higher than returns available in certain other international real estate markets. There can be no assurance that this trend will continue. In addition, if interest rates increase materially, investment in real estate may become less appealing as an alternative to traditional financial investment products and could also deter potential customers from seeking mortgage financing to purchase our properties, which could have a material adverse effect on our business, results of operations and financial condition.

Inflation can also adversely affect our business by increasing our costs for material and labour, which we may not be able to subsequently pass on to our customers. In addition, inflation is often accompanied by higher interest rates, which could have a negative impact on demand for our properties and the cost of debt financing. Average annual consumer price inflation in the UAE was 2.35 per cent., 4.07 per cent. and 1.61 per cent. in 2014, 2015 and 2016, respectively, according to the UAE Federal Competitiveness and Statistics Authority. Should inflation or interest rates increase in the future, our business, results of operations and financial condition could be adversely affected by any of the following:

- decreasing sales as a result of decreased spending levels;
- increasing materials, labour and financing costs, and an inability to receive reimbursement from customers for their share of the increased expenses;
- higher contractual obligations due to exchange rate fluctuations; and/or
- other cost overruns.

Foreign exchange movements may adversely affect our profitability

We maintain our accounts and report our results in UAE dirhams, currently pegged to the U.S. dollar at a fixed exchange rate of 3.67 UAE dirhams to one U.S. dollar, and is the currency in which the substantial majority of our revenues are earned and our costs are incurred. Consequently, although there can be no assurance that foreign currency fluctuations will not adversely affect our profits and financial performance in the future, our management believes that the Company's operations are not generally subject to significant foreign exchange risk. However, all of our residential units are priced and sold in UAE dirhams. Consequently, if the U.S. dollar appreciates relative to the currencies which our prospective customers use to purchase our residential units, the demand for our residential units could be adversely affected. As a result, the performance of our business is exposed to foreign currency fluctuations relative to the UAE dirham.

In addition, there can be no assurance that the Government of the UAE will not de-peg the UAE dirham from the U.S. dollar in the future, which may have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to the UAE, the MENA Region and Emerging Markets

Investments in emerging markets are subject to greater risks than more developed markets, including significant political, social and economic risks

All of our operations and assets are located in the UAE. While the UAE has historically not been affected by political instability, there is no assurance that any political, social, economic and market conditions affecting the MENA region generally (as well as outside the MENA region because of interrelationships within the global financial markets) would not have a material adverse effect on our business, results of operations and financial condition.

Specific risks in the UAE and the MENA region that may have a material impact on our business, results of operations and financial condition include:

- an increase in inflation and the cost of living;
- a devaluation in the currency of the UAE or any other currency which has an impact on our business;
- external acts of warfare and civil clashes or other hostilities involving nations in the region;
- governmental actions or interventions, including tariffs, protectionism and subsidies;
- difficulties and delays in obtaining governmental or other approvals, new permits and consents for our operations or renewing existing ones;
- potential lack of transparency or reliability as to title to real property;
- cancellation of contractual rights;
- lack of infrastructure;
- expropriation or nationalisation of assets;
- inability to repatriate profits and/or dividends;
- continued regional political instability and unrest, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism which could adversely affect the UAE economy;
- military strikes or the outbreak of war or other hostilities involving nations in the region;
- a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies, land and water use and foreign ownership;
- changing tax regimes, including the imposition of taxes in currently tax favourable jurisdictions, including the UAE;
- arbitrary, inconsistent or unlawful government action, including capricious application of tax laws and selective tax audits;
- limited availability of capital or debt financing; and
- slowing regional and global economic environment.

Any unexpected changes in the political, social, economic or other conditions in the UAE or its neighbouring countries may have a material adverse effect on our business, results of operations and financial condition.

It is not possible to predict the occurrence of events or circumstances such as or similar to those outlined above or the impact of such occurrences and no assurance can be given that we would be able to sustain our current profit levels if such events or circumstances were to occur.

Investors should also be aware that emerging markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in developing markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved.

To the extent that economic growth or performance in the region in which we operate slows or begins to decline, or political conditions become sufficiently unstable to have a material adverse effect on our business, results of operations and financial condition.

Legal and regulatory systems may create an uncertain environment for investment and business activities

The UAE's institutions and legal and regulatory systems are not yet as fully matured and as established as those of Western Europe and the United States. Existing laws and regulations may be applied inconsistently with anomalies in their interpretation or implementation. Such anomalies could affect our ability to enforce its rights under its contracts or to defend our business against claims by others. Changes in the UAE legal and regulatory environment, including in the ability of non-UAE residents to own property, in zoning, planning or construction regulations or building codes, in labour, welfare or benefit policies or in tax regulations could have a material impact on our business.

The UAE's economy is maturing, and in part due to its desire to accede to the World Trade Organisation, the UAE has begun, and we expect it will continue, to implement new laws and regulations which could impact the way we manage our project portfolio. For example, Law No. 27 concerning jointly owned properties sets out the framework for granting purchasers of individual residential units in a building freehold ownership rights to their residential units together with ownership of a proportionate share of the common areas in the building. Pursuant to directions supplementing Law No. 27, introduced on 13 April 2010 (the "Directions"), we are required to comply with certain disclosure requirements (for both new and existing projects), including, among others, an obligation to provide each customer with a jointly owned property declaration ("JOPD"). The JOPD is required to register the sale of a residential unit with the Dubai Land Department and, if the disclosure requirements under the Directions are not satisfied, the relevant sale contract may be held to be void. We believe we are in compliance with the disclosure requirements in all material respects and in view of the current practice in this regard. However, if a large number of purchases of residential units from us or our subsidiary were held to be void, this could have a material adverse effect on our business, results of operations and financial condition. There can be no assurance that if laws or regulations were imposed in respect of the products and services offered by us it would not increase our costs, impact the costs that are associated with buying properties in Dubai, adversely affect the way in which we conduct our business or otherwise have a material adverse effect on our results of operations and financial condition.

UAE visa legislation may have an adverse effect on our business

A federal decision No. 281 of 2009 issued by the Minister of the Interior in May 2009 (the "Resolution"), which came into effect on 1 June 2009 and standardised the terms of residency permits issued to expatriate residential property owners across the UAE. The decree allows expatriate property owners to apply for renewable multiple-entry visas with a validity of six months. The residency permit does not entitle the holder to work in the UAE and is in effect a long-term visit visa. In order to successfully apply for the new permit, expatriate property owners must satisfy certain criteria, including a minimum property valuation of at least AED1 million, earnings thresholds and the maintenance of appropriate insurance. While the Resolution was passed with the intention of standardising the previous rules and stimulating the domestic residential real estate market, it is not possible to assess whether the effect of the Resolution has had a positive or negative effect on levels of foreign investment in the UAE residential property market. Separately, the Dubai Government, through the Dubai Land Department, has introduced a two-year residency visa for residential property owners in Dubai, and, while the criteria for obtaining this residency visa is similar to the residency permit, it provides the holder with UAE residency status, allowing the individual to obtain an Emirates ID card, to obtain a UAE driving licence and to sponsor dependants (subject to meeting the relevant criteria for dependant sponsorship). Any further changes in the UAE's visa policies may discourage foreign nationals from investing in property in the UAE, which could have an adverse effect on our business, results of operations and financial condition.

The UAE plans to introduce value added tax from 2018

The UAE announced the adoption of a value added tax ("VAT"), effective 1 January 2018. On 23 August 2017, the government published the Law No. 8 of 2017 regarding VAT (the "VAT Law"). The executive regulations of the VAT Law are expected to be announced before the end of 2017 and are expected to provide more details about products and services that will be subject to VAT and whether particular products will be zero-rated or exempted. As per the VAT Law, the first sale of residential units by developers is zero-rated, provided that the sale takes place within three years from the date of completion of the unit in question. All secondary sales of residential units are exempted. The executive regulations of the VAT Law are to provide more details and conditions about the parameters of such VAT treatment. There is no guarantee that our residential units will be zero-rated under the executive regulations of the VAT Law, and even if they will be zero-rated initially, there is no guarantee that they will be zero-rated in the future. If our residential units are to be exempted from VAT, we will not be able to claim a credit for the VAT we pay on inputs to construct them. Because exempting breaks the VAT's chain of credits on input purchases, we may have to absorb the cost of five per cent. VAT on all our input supplies and not be in a position to claim it back, which may adversely affect our profit margins. In all cases, the responsibility of accounting for VAT resides with us and there will be significant compliance costs for us in ensuring that we collect and remit the tax to the UAE Ministry of Finance and otherwise comply with the reporting requirements. Given that the VAT will be applicable on 1 January 2018, we will be under pressure to prepare for implementation within a limited time, and the challenges are compounded by the delay in announcing the executive regulations of the VAT Law. In addition, we have not yet determined the costs of upgrading our IT systems to manage the collection and remittance (if any) of the VAT or whether we will be in a position to begin properly to collect such taxes when they go into effect and if they apply to our business. There can be no assurance that the implementation of the VAT in the UAE will not adversely affect demand for our projects, that we will be able to pass on the taxes to our customers, or that the costs of upgrading our systems to manage the collection and remittance of the taxes (if any) or of any fines or other penalties to which we may be subject if we are unable to begin properly to collect the taxes when they go into effect will not be material, which could have a material adverse effect on our business, results of operations and financial condition.

Risks arising from unlawful or arbitrary governmental action

Governmental authorities in the UAE have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary to law or influenced by political or commercial considerations. Such governmental action could include, among other things, the withdrawal of building permits, the expropriation of property without adequate compensation or the forcing of business acquisitions, combinations or sales. Any such action taken may have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to the Global Offering and to the Shares

After the Global Offering, the Selling Shareholder will continue to be able to exercise significant influence over us, our management and our operations

Immediately following the Global Offering, the Selling Shareholder will hold 79 per cent. of our share capital. As a result, the Selling Shareholder will be able to exercise control over our management and operations and over our shareholders' meetings, such as in relation to the payment of dividends and the appointment of the majority of the Directors to our Board of Directors and other matters. There can be no assurance that the interests of the Selling Shareholder will coincide with the interests of purchasers of the Shares. (See "*Subscription and Sale*" and "*Principal and Selling Shareholder*".)

Furthermore, the Selling Shareholder's significant Share ownership may: (i) delay or deter a change of control of the Company (including deterring a third party from making a takeover offer for the Company); (ii) deprive shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company; and (iii) affect the liquidity of the Shares, each of which could have a material adverse effect on the market price of the Shares. In addition, Emaar Properties, which will remain our controlling shareholder following the completion of the Global Offering, is engaged in the investment in, and the development and management of, among other things, a large portfolio of properties, including residential properties. As a result, there may be circumstances where our investments compete directly with the other properties that Emaar Properties operates (by itself or with a joint venture partner), and it may take decisions with respect to those properties that are adverse to the interests of our other shareholders.

Substantial sales of Shares by the Selling Shareholder following the expiry of the statutory lock-up period could depress the price of the Shares

Sales of a substantial number of Shares by the Selling Shareholder following the completion of the Global Offering may significantly reduce our share price. As required under applicable UAE law, the Selling Shareholder has agreed in the Underwriting Agreement to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of two years from the Closing Date, described in further detail in *"Subscription and Sale"* below. We are unable to predict whether, following the expiry of the statutory lock-up period, substantial amounts of Shares (in addition to those which will be available in the Global Offering) will be sold in the open market following the completion of the Global Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

The Global Offering may not result in an active or liquid market for the Shares

Prior to the Global Offering, there has been no public trading market for the Shares. We cannot guarantee that an active trading market will develop or be sustained following the completion of the Global Offering, or that the market price of the Shares will not decline thereafter below the Offer Price Range. The failure of an active trading market to develop may affect the liquidity of the Shares. The Shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the price of the Shares may be subject to greater fluctuation than might otherwise be the case. The trading price of the Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment, regardless of our actual performance or conditions in Dubai.

We may not pay cash dividends on the Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for them

While we intend to pay dividends in respect of the Shares, there can be no assurance that we will do so. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on, among other things, the availability of distributable reserves, our capital expenditure plans and other cash requirements in future periods and other factors that our Board of Directors may deem relevant. As a result, you may not receive any return on an investment in the Shares unless you sell your Shares for a price greater than that which you paid for them.

The DFM is significantly smaller in size than other established securities markets and there can be no assurance that a liquid market in the Shares will develop

The Company has applied for the Shares to be admitted to the Official List of Securities of the DFM. The DFM has been open for trading since September 2005, but its future success and liquidity in the market for the Shares cannot be guaranteed. The DFM is substantially smaller in size and trading volume than other established securities markets, such as those in the United States and the United Kingdom. As at 30 September 2017, there were 36 companies with securities traded on the DFM with a market capitalisation of approximately AED134 billion. Brokerage commissions and other transaction costs on the DFM are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of the share prices, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the DFM in the desired amount and at the price and time achievable in more liquid markets.

It may be difficult for shareholders to enforce judgments against us in the UAE, or against our directors and senior management

The Company is in the process of being converted from a limited liability company to a public joint stock company incorporated in the UAE. All of our directors and officers reside outside the United States and the United Kingdom. In addition, all of our assets and the majority of the assets of our directors and senior management are located outside the United States and the United Kingdom. As a result, it may not be possible for U.S. investors to effect service of process within the United States or the United Kingdom upon the Company or our directors and senior management or to enforce in the U.S. courts or outside the United States judgments obtained against them in U.S. courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the securities laws of any state or territory within the United States. There is also doubt as to the enforceability in England and Wales and in the UAE, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales and in the UAE.

Holders of the Shares in certain jurisdictions, including the United States, may not be able to exercise their pre-emptive rights if we increase our share capital

Under our Articles of Association (the “Articles”) to be adopted with effect from, and conditional upon, Admission, holders of the Shares generally have the right to subscribe and pay for a sufficient number of our Shares to maintain their relative ownership percentages prior to the issuance of any new Shares in exchange for cash consideration. U.S. holders of the Shares may not be able to exercise their pre-emptive rights unless a registration statement under the Securities Act is effective with respect to such rights and the related Shares or an exemption from the registration requirements of the Securities Act is available. Similar restrictions exist in certain other jurisdictions. We currently do not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable U.S. or other holders of the Shares to exercise their pre-emptive rights or, if available, that we will utilise such exemption. To the extent that the U.S. or other holders of the Shares are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such U.S. or other holders would be reduced.

If we are a PFIC for U.S. federal income tax purposes for any taxable year, U.S. Holders of Shares could be subject to adverse US federal income tax consequences

If we were a PFIC within the meaning of Section 1297 of the Internal Revenue Code of 1986, as amended, for any taxable year during which a U.S. Holder (as defined in "Taxation—Certain U.S. federal income tax considerations") holds Shares, certain adverse U.S. federal income tax consequences may apply to the U.S. Holder. We do not expect to be a PFIC for U.S. federal income tax purposes for our current taxable year. However, our possible status as a PFIC must be determined annually and therefore may be subject to change. This determination will depend on the composition of our income and assets, the market valuation of our assets (including, among others, our goodwill) from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that we will not be considered a PFIC for any taxable year. If we were a PFIC, U.S. Holders of Shares may be subject to adverse US federal income tax consequences, such as taxation at the highest marginal ordinary income tax rates on gains recognized on certain actual or deemed distributions, interest charges on certain taxes treated as deferred, and additional reporting requirements. (See "*Taxation—Certain US federal income tax considerations—Passive Foreign Investment Company Considerations*.")

USE OF PROCEEDS

The Company will not receive any proceeds from the Global Offering. The net proceeds from the Global Offering total approximately AED million (after the deduction of the underwriting commissions and discretionary fee paid, of AED million), all of which will be received by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while providing increased trading liquidity in the Shares and raising our international profile. All expenses of the Global Offering will be borne by the Selling Shareholder.

DIVIDEND POLICY

Our ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and our capital expenditure plans and other cash requirements in future periods, and there is no assurance that we will pay dividends or, if a dividend is paid, what the amount of such dividend will be.

Subject to the foregoing, we are targeting distribution of aggregate dividends of no less than U.S.$1.7 billion, to be paid in respect of the next three financial years ending 31 December 2020. We are targeting the payment of these dividends in relatively equal amounts for each of the three years, subject to our cash requirements for land purchases, debt repayment and operating expenditure. For the dividend declared with respect to the 2018 financial year, we intend to pay a portion in the third quarter of 2018 as an interim dividend, with the remainder expected to be paid in the second quarter of 2019. Dividends in respect of the 2019 and 2020 financial years are expected to be paid in the second quarter of the following year, after the relevant annual general meeting. Thereafter, we expect annual dividend payments to increase further due to lower leverage and higher expected cash flows from operations. Any level or payment of dividends depends on future profits and the business plan of the Company, among other factors, at the discretion of the board.

CAPITALISATION

The following table sets forth our cash and cash equivalents, current loans and borrowings and total capitalisation as of 30 September 2017. You should read this table together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements contained elsewhere herein.

	As at 30 September 2017
	(AED thousands)
Bank balances	10,167,361
Current loans and borrowings[(1)]	—
Equity:	
Share capital	300
Statutory reserve	150
Shareholder's contribution[(2)]	8,355,956
Non-controlling interests	880,023
Total equity	9,236,429
Total capitalisation	9,236,429

Note:

(1) On 27 September 2017, we signed a five-year AED4,775 million murabaha facility with First Abu Dhabi Bank. On 30 October 2017, we drew down AED3,967 million and used the proceeds to pay a dividend of AED3,910 million (net of fees) to Emaar Properties. The remaining undrawn balance is available for future drawdowns. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Financial Liabilities and Contractual Obligations—Term Loan Facility*". Accordingly, this table does not reflect the incurrence of this indebtedness nor the AED6 million of borrowing proceeds which were not upstreamed to Emaar Properties.

(2) On 17 October 2017, we increased our share capital from AED300,000 to AED4 billion through a conversion of shareholder's contribution into share capital.

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

The selected financial information set forth below shows our historical financial information and other unaudited operating information as at and for the years ended 31 December 2014, 2015 and 2016 and as of and for the nine months ended 30 September 2016 and 2017. The financial information as at and for the nine months ended 30 September 2016 has been neither audited nor reviewed.

The financial information set forth below under the captions "Consolidated Statement of Comprehensive Income Data", "Consolidated Statement of Financial Position Data" and "Consolidated Statement of Cash Flows Data" has been derived from, and should be read in conjunction with, the Financial Statements included elsewhere in this Prospectus.

EBITDA, EBITDA margin, ROCE and Net Debt are non-IFRS measures and were calculated by us based on data derived from our Financial Statements.

The selected financial information and operating data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Consolidated Statement of Comprehensive Income Data

	Year ended 31 December			Nine months ended 30 September	
	2014	**2015**	**2016**	**2016**	**2017**
	(AED millions)				
Revenue	3,140	5,253	6,899	5,130	6,508
Cost of revenue	(1,299)	(2,858)	(4,037)	(2,981)	(3,758)
Gross profit	**1,841**	**2,395**	**2,861**	**2,149**	**2,750**
Selling, general and administrative expenses	(493)	(611)	(577)	(404)	(438)
Finance income	140	61	124	87	90
Finance costs	(36)	(16)	(14)	(11)	(11)
Other income	158	134	60	47	55
Share of results of joint ventures	—	—	(3)	(2)	(4)
Profit for the year/period	**1,611**	**1,962**	**2,452**	**1,866**	**2,442**
Other comprehensive income	—	—	—	—	—
Total comprehensive income for the year/period	**1,611**	**1,962**	**2,452**	**1,866**	**2,442**
Attributable to:					
Owners of the Parent	1,276	1,742	2,112	1,597	2,106
Non-controlling interest	335	220	339	270	337
	1,611	1,962	2,452	1,866	2,442
Earnings per share attributable to the owners of the Parent:					
Basic and diluted earnings per share (*AED thousands*)	4,252	5,807	7,041	5,323	7,019

Consolidated Statement of Financial Position Data

	As at 31 December			As at 30 September
	2014	2015	2016	2017
	(AED millions)			
Assets				
Bank balances	7,394	9,461	9,754	10,167
Trade and unbilled receivables	720	1,054	1,472	1,346
Other assets, receivables, deposits and prepayments	592	909	1,777	2,855
Development properties	4,802	4,483	6,022	6,492
Loan to joint ventures	—	—	13	379
Property, plant and equipment	0.004	86	82	71
Total assets	**13,508**	**15,993**	**19,120**	**21,310**
Liabilities and Equity				
Liabilities				
Trade and other payables	2,699	2,830	3,032	3,548
Advances from customers	7,324	7,877	8,136	8,032
Retentions payable	408	432	419	473
Employees' end-of-service benefits	10	15	17	21
Total liabilities	**10,441**	**11,154**	**11,604**	**12,074**
Equity				
Equity attributable to owners of the Parent				
Share capital	0.3	0.3	0.3	0.3
Statutory reserve	0.2	0.2	0.2	0.2
Shareholder's contribution	2,737	4,289	6,752	8,356
	2,737	4,290	6,752	8,356
Non-controlling interests	329	549	764	880
Total equity	**3,067**	**4,839**	**7,516**	**9,236**
Total liabilities and equity	**13,508**	**15,993**	**19,120**	**21,310**

Consolidated Statement of Cash Flows Data

	Year ended 31 December			Nine months ended 30 September	
	2014	2015	2016	2016	2017
	(AED millions)				
Cash flows from operating activities					
Profit for the year/period	1,611	1,962	2,452	1,866	2,442
Adjustments for:					
Share of results of joint ventures	—	—	3	2	4
Depreciation	0.003	0.03	11	8	11
Provision for employees' end-of-service benefits, net	2	5	2	4	3
Provision/(reversal) for doubtful debts	—	19	(8)	—	—
Finance costs	36	16	14	11	11
Finance income	(140)	(61)	(124)	(87)	(90)
Cash from operations before working capital changes	1,508	1,941	2,349	1,803	2,381
Trade and unbilled receivables	(149)	(353)	(410)	(300)	126
Other assets, receivables, deposits and prepayments	(434)	(314)	(865)	(351)	(1,078)
Development properties	(967)	233	(1,539)	(1,000)	(469)
Advances from customers	3,366	553	259	289	(104)
Trade and other payables	131	115	189	407	516
Retentions payable	74	24	(13)	95	54
Net cash flows from/(used in) operating activities	**3,529**	**2,200**	**(31)**	**943**	**1,425**
Cash flows from investing activities					
Finance income received	43	57	122	82	91
Loan to joint ventures	—	—	(15)	(7)	(369)
Amounts incurred on property, plant and equipment	—	(0.07)	(7)	(8)	(0.056)
Investment in a joint venture	—	—	(0.15)	(0.15)	(0.15)
Deposits maturing after three months	(2,474)	182	(561)	(329)	1,092
Net cash flows (used in)/from investing activities	**(2,431)**	**239**	**(463)**	**(262)**	**813**
Cash flows from financing activities					
Finance costs paid	(32)	(0.8)	(0.6)	(11)	(11)
Repayment of loans to financial institutions	(760)	—	—	—	—
Dividends paid by a subsidiary to the non-controlling interests	—	—	(125)	—	(220)
Movement in shareholder's contribution	790	(190)	350	57	(502)
Net cash flows (used in)/from financing activities	**(2)**	**(191)**	**225**	**47**	**(733)**
Increase/(decrease) in cash and cash equivalents	**1,096**	**2,249**	**(269)**	**728**	**1,505**
Cash and cash equivalents at the beginning of the year/period	3,525	4,621	6,869	6,869	6,601
Cash and cash equivalents at the end of the year/period	**4,621**	**6,869**	**6,601**	**7,597**	**8,106**

Other Financial Information

	Year ended 31 December			Nine months ended 30 September		Last twelve months ended 30 September
	2014	2015	2016	2016	2017	2017
EBITDA (*AED millions*)(1)	1,507	1,917	2,353	1,798	2,374	n/a
EBITDA margin (%)(2)	48%	36%	34%	35%	36%	n/a
ROCE (%)(3)	49%	40%	31%	n/a	n/a	32%

Notes:

(1) The table below sets forth a reconciliation of EBITDA to profit for the year/period:

	Year ended 31 December			Nine months ended 30 September	
	2014	2015	2016	2016	2017
	(AED millions)				
Profit for the year/period	1,611	1,962	2,452	1,866	2,442
Add:					
Finance costs	36	16	14	11	11
Depreciation of property, plant and equipment	0.003	0.03	11	8	11
Finance income	(140)	(61)	(124)	(87)	(90)
EBITDA	1,507	1,917	2,353	1,798	2,374

(2) EBITDA as a percentage of total revenues for the corresponding period.

(3) Return on capital employed, calculated as earnings before interest and tax divided by total assets minus liabilities (trade and other payables, advances from customers, retention payable and employees' end-of-service benefits) for the relevant period.

The following table sets out our calculation of ROCE for the year/period indicated:

	Year ended or as at 31 December			Last twelve months ended or as at 30 September
	2014	2015	2016	2017
	(AED millions)			
Earnings before interest and tax*	1,507	1,917	2,342	2,915
Total assets	13,508	15,993	19,120	21,310
Trade and other payables	2,699	2,830	3,032	3,548
Advances from customers	7,324	7,877	8,136	8,032
Retentions payable	408	432	419	473
Employees' end-of-service benefits	10	15	17	21
ROCE	**49%**	**40%**	**31%**	**32%**

* The table below sets forth a reconciliation of earnings before interest and tax to profit for the year/period:

	Year ended 31 December			Last twelve months ended 30 September**
	2014	2015	2016	2017
	(AED millions)			
Profit for the year/period	1,611	1,962	2,452	3,028
Add:				
Finance costs	36	16	14	14
Finance income	(140)	(61)	(124)	(127)
Earnings before interest and tax	**1,507**	**1,917**	**2,342**	**2,915**

** The unaudited financial information for the twelve months ended 30 September 2017 has been derived by performing the mathematical exercise of aggregating the relevant results for the year ended 31 December 2016 and the nine months ended 30 September 2017 and subtracting the results for the nine months ended 30 September 2016, as set forth in the table below. These results are for illustrative purposes only and have not been subject to audit or review.

	Year ended 31 December	Nine months ended 30 September		Last twelve months ended 30 September
	2016	2016	2017	2017
	(AED millions)			
Profit for the year/period	2,452	1,866	2,442	3,028
Add:				
Finance costs	14	11	11	14
Finance income	(124)	(87)	(90)	(127)

Certain Operating Data

The table below sets out the evolution of our BTS land bank through investments and our strategic partnerships.

	Year ended 31 December						Nine months ended 30 September
	2011	2012	2013	2014	2015	2016	2017
	(million sq ft)						
Gross floor area BTS	13	18	78	167	198	199	211
Gross land area BTS	9	25[(1)]	114[(2)]	162[(3)]	231[(4)]	233[(5)]	234[(6)]

Notes:

Includes GFA developed or under development through the periods presented

(1) Arabian Ranches II was added to the land bank in 2012.

(2) Dubai Hills Estate was added to the land bank in 2013.

(3) Dubai Creek Harbour was added to the land bank in 2014.

(4) Emaar South was added to the land bank in 2015.

(5) Downtown Views was added to the land bank in 2016.

(6) Zabeel Square & Dubai Harbour were added to the land bank in 2017.

The table below sets out our sales in AED millions and by number of units sold for the periods indicated.

	Year ended 31 December					Nine months ended 30 September
	2012	2013	2014	2015	2016	2017
Sales (*AED millions*)	4,256	12,869	12,338	10,227	14,411	15,361
Sales (*thousands of units*)	1.8	3.4	3.2	3.0	4.7	6.5

Note:

(1) Inclusive of 100 per cent. of joint venture and joint development projects sales; not a reflection of our proportional share. Our entitlement/share of joint venture profit is 50 per cent.

The table below sets out our quarterly sales in AED millions and by number of units sold for the periods indicated.

	Three months ended 31 March		Three months ended 30 June		Three months ended 30 September	
	2016	2017	2016	2017	2016	2017
Sales (*AED millions*)	4,193	6,049	4,660	4,765	2,748	4,547
Sales (*thousands of units*)	1.3	2.6	1.3	2.2	1.2	1.8

Note:

(1) Inclusive of 100 per cent. of joint venture and joint development projects sales; not a reflection of our proportional share. Our entitlement/share of joint venture profit is 50 per cent.

The tables below set out certain information about our units sold, subdivided by units sold through developments which are (i) 100 per cent. owned, (ii) through the Dubai Hills Estate joint venture or Dubai Creek Harbour joint development agreement, or (iii) through our other joint ventures.

	Year ended 31 December				Nine months ended 30 September
	2013	2014	2015	2016	2017
	Number of Units Sold ('000 units)				
100% owned(1)	3.4	2.2	1.5	1.6	2.5
Dubai Hills Estate	—	0.6	1.1	1.6	1.9
Dubai Creek Harbour	—	0.4	0.4	1.2	1.7
Other joint ventures(2)	—	—	—	0.3	0.5
Total	3.4	3.2	3.0	4.7	6.5
	Value of Units Sold (AED millions)				
100% owned(1)	12,104	9,755	5,656	5,592	6,732
Dubai Hills Estate	765	1,787	3,615	6,490	4,887
Dubai Creek Harbour	—	796	957	2,033	3,096
Other joint ventures(2)	—	—	—	296	646
Total	12,869	12,338	10,227	14,411	15,361

Notes:

(1) 100% owned projects comprise Downtown Dubai, Dubai Marina, Emirates Living and Arabian Ranches.

(2) Other joint ventures comprises Emaar South.

The table below sets out our scheduled delivery of residential unit projects that had been launched as at 30 September 2017.

	Scheduled Delivery of Launched Projects As at 31 December			
	2017	2018	2019	2020
	('000 units)			
100% owned(1)	1.7	3.9	1.8	3.8
Dubai Hills Estate	—	0.7	3.8	1.7
Dubai Creek Harbour	—	0.9	1.2	2.1
Other joint ventures(2)	—	—	1.2	0.2
Total	1.7	5.4	8.0	7.7

Notes:

(1) 100% owned projects comprise Downtown Dubai, Dubai Marina, Emirates Living and Arabian Ranches.

(2) Other joint ventures comprise Emaar South.

The following table sets out the calculation of our Adjusted NAV as at 30 September 2017.

	As at 30 September 2017
	(AED bn)
GAV[1]	35.6
Debt[2]	(4.0)
Net other assets[3]	1.8
Net other assets from joint ventures[4]	0.5
Fair value of joint venture partners' interest[5]	(10.4)
NAV	23.5
Value of joint venture fees[6]	0.6
Adjusted NAV	**24.1**

Notes:

(1) Comprises AED15.2 billion GAV of wholly-owned properties and AED20.3 billion GAV of joint ventures (of which we have a 50 per cent. share) and joint development agreements. Does not include Dubai Harbour.

(2) Calculated as bank borrowings, pro forma for the AED3,967 million drawdown of the credit facility made on 30 October 2017.

(3) Total assets less total liabilities. Excludes Dubai Hills Estate. Includes Dubai Harbour to the extent payment has been made but is not reflective of the full land.

(4) Includes Dubai Hills Estate.

(5) Joint Venture GAV plus total joint venture other assets, less joint venture liabilities, multiplied by 0.5.

(6) Management and development fees payable to us by our joint ventures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations as of and for the years ended 31 December 2014, 2015 and 2016 and as of and for the nine months ended 30 September 2016 and 2017, should be read in conjunction with the Financial Statements and the information relating to our business included elsewhere in this Prospectus. Selected financial information in this section has been derived from the Financial Statements, in each case without material adjustment, unless otherwise stated. Investors should read the whole of this Prospectus and not just rely upon summarised information. The financial information as at and for the nine months ended 30 September 2016 is neither audited nor reviewed.

The discussion includes forward-looking statements that reflect the current view of our management and involves risks and uncertainties. See "Risk Factors" and "Forward-Looking Statements" for a discussion of important factors that could cause our actual results to differ materially from the forward-looking statements contained herein.

Overview

We are the leading developer of integrated lifestyle master plan communities in Dubai, which feature world-class residential and commercial property, shopping malls and other retail assets and high-end hospitality and leisure attractions. Redefining the traditional approaches to property development, our integrated lifestyle master plan communities are distinguished by their world-class design, superior build quality, high quality finishes and wide range of amenities. Our integrated lifestyle master plan concept combines retail, hospitality, leisure and other requirements of our residents within secure, well-maintained communities. In addition, we ensure through our collaboration with local regulators, utility companies and government agencies that the infrastructure necessary to support these residential communities, such as roads, power, water and sewage, landscaping and open recreational spaces, is in place. With the support of our parent company, Emaar Properties, we have developed some of Dubai's most prestigious integrated lifestyle master plan communities, including Emirates Living, the first major freehold community built in Dubai, Dubai Marina, the region's largest man-made marina development and Downtown Dubai, one of the world's most visited destinations. Since 2002, we have delivered over 34,500 residential units, and, according to JLL, as of 30 September 2017, approximately 22 per cent. of all freehold units in Dubai are located in our integrated lifestyle master plan communities.

As at 30 September 2017, we had over 24,010 residential units under construction, 80 per cent. of which were pre-sold. We have a total of 10 projects in our portfolio, which had an Adjusted NAV of AED 24.1 billion as at 30 September 2017.

The table below sets out certain metrics for each of our projects as at 30 September 2017.

	100% Owned Developments				100% Consolidated JV	JVs/JDA with 50% Share			Land bank (100% owned)		
	Downtown Dubai	Arabian Ranches	Dubai Marina	Emirates Living	Dubai Hills Estate	Dubai Creek Harbour(2)(3)	Emaar South(2)	Zabeel Square(2)	Al Marjan (Ras Al Khaimah)	Dubai Harbour(4)	Total
Total units under development	8,714	1,157	838	562	6,123	5,201	1,415		In Planning Stage		24,010
% of units sold	85%	81%	95%	99%	79%	70%	59%		In Planning Stage		80%
Gross margin achieved (%)(1)	42%	49%	38%	31%	46%	27%	32%		In Planning Stage		41%
Sales backlog to be recognised (AED Bn)	18.9	0.8	1.8	0.4	12.2	5.9	0.9		In Planning Stage		40.8
Escrow balance (AED Bn)	6.4	0.3	0.4	0.4	2.4	0.8	0.1		In Planning Stage		10.9
Total remaining GFA (million sqf)	3.8	0.5	—	0.2	58.4	104.5	32.2	2.2	1.3	10.3	213.3
Remaining GFA of BTL and BTO assets (million sqf)	0.5	0.0	—	0.0	13.8	24.7	3.0	0.2	0.2	0.7	43.1
Remaining GFA of BTS assets (million sqf)	3.3	0.5	—	0.2	44.6	79.9	29.1	2.0	1.1	9.5	170.2
Remaining BTS units to be launched	2,142	847	—	19	23,851	59,799	21,605	1,700	800	7,175	117,938
Remaining years to launch	1	1	—	1	10	12	9	1	2	7	n/a
Remaining years to complete	4	4	—	4	14	16	13	4	6	11	n/a

Notes:

(1) Based on the number of units sold which were under development as at 30 September 2017 and, therefore, not necessarily indicative of margins that will be achieved at project completion.

(2) JVs/JDA numbers presented reflect the total project and do not reflect our proportional share. Our entitlement/share of profits is 50 per cent.

(3) Dubai Creek Harbour is being developed pursuant to a joint development agreement. We are entitled to a development management fee, but hold no interest in the land.

(4) Partial acquisition of land completed, full acquisition and transfer of title are pending.

For the years ended 31 December 2014, 2015 and 2016 and the nine months ended 30 September 2016 and 2017, we had revenues of AED3,140 million, AED5,253 million, AED6,899 million, AED5,130 million and AED6,508 million, respectively, sales of AED12,338 million, AED10,227 million, AED14,411 million, AED11,601 million and AED15,361 million, respectively, and total comprehensive income of AED1,611 million, AED1,962 million, AED2,452 million, AED1,866 million and AED2,442 million, respectively.

Accounting treatment and basis of consolidation

The accounting treatment and basis of consolidation applicable to each of our project types is set forth below. For further information, please see Note 2 to the Financial Statements.

Wholly-owned projects and land

Our wholly-owned projects, Downtown Dubai, Arabian Ranches, Dubai Marina and Emirates Hills, and our land bank properties, Dubai Harbour and Al Marjan (Ras Al Khaimah), are fully consolidated in our financial statements. Cash collected from customers is accounted for as a liability and then recognised as revenue based on the percentage of construction completion as construction progresses. Construction of the relevant development must reach 20 per cent. completion and we must have received 20 per cent. of the unit purchase price from the customer before any revenue is recognised. Costs incurred from the development of these projects are initially recognised on our consolidated statement of financial position under 'development properties' and portions thereof are then recognised in 'cost of revenue' in our consolidated statement of comprehensive income in accordance with the revenue recognition process described above.

Fully consolidated joint ventures

Dubai Hills Estate is a 100 per cent. consolidated joint venture, which is fully consolidated and treated as a subsidiary in our financial statements, with the 50 per cent. interest of our joint venture partner, Meraas Estates LLC, accounted for as a non-controlling interest in our consolidated statement of comprehensive income and consolidated statement of financial position. 100 per cent. of the management fee paid by the joint venture to us for the development of the BTS assets in the project is eliminated on consolidation.

Joint development agreement and 50 per cent. joint ventures

Dubai Creek Harbour is being developed pursuant to a joint development agreement, as a result of which it is neither consolidated nor equity accounted in our financial statements. Instead, 50 per cent. of the net profits related to the BTS assets in the project are recognised within revenue on our consolidated statement of comprehensive income as a development management fee.

Emaar South and Zabeel Square are equity accounted joint ventures, as a result of which, 50 per cent. of the profits from the sale of the BTS assets in these projects is recognised through share of results of joint ventures in our consolidated statement of comprehensive income. Both projects are reflected as investments in joint ventures in our Financial Statements.

Key Factors Affecting Results of Operations

The following is a discussion of the most significant factors that have affected, or are expected to affect, our results of operations and financial condition.

Project structure and assets

Our revenue and costs are affected by the asset mix within our projects, which comprise BTS assets, BTL assets and BTO assets. BTS assets primarily comprise residential real estate units, such as apartments, townhouses and/or villas, but also include commercial units that are built for sale. BTL assets comprise commercial units, including offices, retail space, educational and medical facilities, which are built for leasing by Emaar Properties or its subsidiaries and affiliates. BTO assets comprise hotels, entertainment attractions and polo and golf clubs, which are built for operation by Emaar Properties or its subsidiaries and affiliates. We develop and sell the BTS assets either directly or through joint venture arrangements (with the exception of the BTS assets in Dubai Creek Harbour, which is being developed and sold pursuant to a joint development agreement).

Our principal source of revenue is proceeds from the sale of BTS assets. In addition, we have historically derived revenue from the following management fees paid by our joint ventures and management fees which, going forward, will be paid by Emaar Properties to manage the development of the BTL and BTO assets:

- Wholly-owned projects and land: We recognise management fees from Emaar Properties for the development of the BTL and BTO assets in each project equivalent to 0.5 per cent. of related construction costs.
- Fully consolidated joint venture: We recognise management fees from Emaar Properties for the development of the BTL and BTO assets in Dubai Hills Estate.
- Joint development agreement and 50 per cent. joint ventures: We recognise management fees from Emaar Properties for the development of the BTL and BTO assets in Dubai Creek Harbour equivalent to 0.5 per cent. of related construction costs. We are also entitled to a management fee from the Emaar South joint venture equivalent to 1.5 per cent. of revenue and 1.5 per cent. of net profit, capped at AED300 million in total, and reimbursement of the construction costs related to the BTL and BTO assets in the project. We are entitled to a management fee from the Zabeel Square joint venture.

The costs associated with the construction of BTS assets are funded principally from working capital, which primarily comprises the proceeds from the presale of residential units held in escrow and released as construction progresses, as well as proceeds from the sale of other BTS assets, such as commercial units and plots of land sold to other developers, the development management fees described above and, where necessary, bank financing. Cash is collected from customers as construction milestones set out in the relevant sales contracts are met. Once a development has passed the required thresholds for collections and construction completion, we recognise revenue on a rolling basis according to monthly progress reports provided by external cost consultants. The cost of construction of the BTL and BTO assets is pre-funded by Emaar Properties through a number of back-to-back arrangements with us.

Dubai Creek Harbour is being developed pursuant to a joint development agreement. We are entitled to a development management fee with respect to this project, but hold no interest in the land or in a joint venture entity. Pursuant to the Master Transfer Agreement, we are entitled to receive 50 per cent. of the net profit from the development of the BTS assets in the project. Emaar Properties has assigned its rights to BTS profits under the existing joint development agreement relating to Dubai Creek Harbour to us and has undertaken to pay the amount of any such BTS profits released from the RERA escrow accounts to us on a quarterly basis (whether or not such BTS profits have been released from the bank accounts of the joint venture SPV and distributed to Emaar Properties). We are also entitled to receive 0.5 per cent. of the BTL and BTO development costs from Emaar Properties as development management fee.

On 17 August 2017, Emaar Properties entered into a sale and purchase agreement with Harbour Properties LLC to purchase 88,268 square meters of land at Dubai Harbour. Subsequently, and pursuant to the Master Transfer Agreement, Emaar Properties transferred the BTS portion of the land to us. As at 30 September 2017, of the fifteen plots included in the purchase agreement, the title of one plot has been transferred to us. The remaining titles will be transferred in line with the six-year payment plan; however, we will have access to the plots to sell and carry out construction works ahead of the title transfers.

For further detail, see *"Related Party Transactions and Material Contracts."*

Sales backlog and timing of revenue recognition

As at 30 September 2017, we had a sales backlog of AED41 billion. We define sales backlog as the value of units that have been sold but not yet recognised as revenue under IFRS. When we sell a residential unit to a customer, the full purchase price is added to our sales backlog. We recognise revenue from our sales backlog as the construction on our projects progresses and our sales backlog is replenished as we launch new BTS developments and sell the units therein. As at 30 September 2017, we had approximately 4,800 residential units which were under development and available for sale, approximately 650 units in the design phase and a further approximately 200 completed units (including plots of land for sale) which we expect to sell in the next two to three years. These units have an aggregate estimated sales value of approximately AED19 billion, based on current listing prices for the relevant projects. Over the next five years, we expect to offer approximately 50,400 further units for sale.

Our project portfolio is comprised of projects at various stages of development. Some, such as Downtown Dubai, Dubai Marina and Arabian Ranches, are mature and nearing completion, with the bulk of their associated sales backlog either already recognised as revenue in our consolidated statement of comprehensive income or expected to be fully recognised by the end of 2022. Others, such as Dubai Creek Harbour, Dubai

Hills Estate and Emaar South, are still in the development phase, with revenue expected to be recognised over the course of the next 16 years. For further detail regarding the expected completion schedule of our projects, please see "*Business—Projects*".

Our business model is driven by the sale of a significant portion of the units in our developments "off-plan" and in the early stages of construction. We begin recognising individual unit sales as revenue in our consolidated statement of comprehensive income once construction on the relevant development has reached 20 per cent. completion and we have received 20 per cent. of the unit purchase price from the customer. The timing of these payments vary by development and by payment plan, which impacts our ability to begin recognising revenue. We continue to recognise revenue over the life of the development on a percentage of completion basis.

Customers make payments according to the terms of the relevant purchase contract. Initial collection (approximately 30 to 40 per cent. of the purchase price) is comprised of the initial deposit and additional payments due on specified dates, with the remaining payments due as construction milestones specified in the purchase contract are satisfied. Customer payments are placed in an escrow account, and generally can only be released from escrow when the development in which the relevant unit is located has been completed due to local regulatory requirements. See *"Regulation of Real Estate in Dubai—Other Relevant Legislation—Dubai Law No.8 of 2017"*. However, where we have sufficient cash in the relevant escrow account to cover the remaining construction costs of a project, we can apply to RERA for permission to withdraw the excess. As at 30 September 2017, we had aggregate escrow account balances of AED11 billion including balances associated with our non-consolidated joint ventures and joint development project.

The table below sets out an indicative timeline of the phasing of a typical project launch, including the time horizon during which the sale of residential units is completed, the associated purchase price is collected, those monies are recognised as revenue and construction of the project is completed. Timing for these milestones varies by development.

	Year 1	**Year 2**	**Year 3**	**Year 4**
Units sold (%)	70%	85%	100%	—
Total sales value collected (%)	30%	50%	70%	100%
Construction completed (%)	10%	45%	80%	100%
Revenue recognized (%)	—	45%	80%	100%
Released from escrow[1]	—	—	—	100%

Note:

(1) Subject to RERA approval, cash may be released from escrow prior to project completion to the extent that the relevant balance exceeds the construction costs remaining on the project.

Our sales backlog, together with the construction schedules for our projects, provides us with visibility over our revenue streams in the short and medium term. However, the conversion of our sales backlog to revenue and then to cash is ultimately dependent upon the timely and successful completion of the construction of our projects. We frequently experience construction delays in the ordinary course of business and, while such delays may be made up in subsequent stages of a project, delays can have a significant impact on the associated timing of revenue recognition, which could lead to potentially significant fluctuations in our financial results on a quarterly basis. This is particularly true with respect to high value projects, where even a small delay in construction progress can result in delays in large amounts of revenue being recognised. See "*Risk Factors–Our projects may be delayed, suspended, terminated or materially changed in scope, resulting in delayed recognition of revenue and damage to our reputation*".

The following table sets out our expected revenue recognition from our sales backlog as at 30 September 2017, by project type, over the periods indicated.

	Three months ended 31 December	Year ended 31 December			
	2017	2018	2019	2020	2021
		(AED millions)			
Sales backlog revenue recognition[1]					
Wholly-owned projects under development	1,302	8,004	6,746	4,430	1,317
Dubai Hills Estate	945	7,564	3,382	210	—
50 per cent. JV/JDA	21	306	248	98	40
Total	2,268	15,874	10,376	4,738	1,357

Note:

(1) Based on the expected construction completion schedule.

The following table sets out our expected share in gross profit from our sales backlog as at 30 September 2017, by project, over the periods indicated.

	Three months ended 31 December	Year ended 31 December			
	2017	2018	2019	2020	2021
		(AED millions)			
Gross profit from sales backlog[1]					
Wholly-owned projects under development	528	3,343	2,966	1,897	657
Dubai Hills Estate	221	1,729	754	42	—
50 per cent. JV/JDA	21	306	248	98	40
Emaar South	—	75	43	1	—
Total	770	5,453	4,011	2,038	697

Note:

(1) Estimated expected gross profit from sales backlog based on expected construction completion schedule. Gross profit from sales backlog is calculated as sales backlog revenue less construction costs (and, in the case of Dubai Creek Harbour and Emaar South, an additional 3 per cent. of operating expenditures) and excludes development fee revenue, revenue from future launches and non-construction costs.

The following table sets out net cash attributable to us from our sales backlog as at 30 September 2017.

	Sales backlog	Recognised	Total
	(AED millions)		
Sales value[1]	40,806	15,636	56,442
Gross profit[2]	16,810	6,762	23,572
Emaar Development share of gross profit[3]	12,999	5,643	18,642
Profit releases to cash[4]	—	(2,648)	(2,648)
Pre-funded costs of sales backlog[5]	2,062	—	2,062
Cash to be released from escrow	12,999	2,980	15,980
Net cash from sales backlog to Emaar Development	15,061	2,980	18,042

Notes:

(1) Total price of units sold.

(2) Expected gross profit from sale of units, which is calculated as sales backlog revenue less construction costs (and, in the case of Dubai Creek Harbour and Emaar South, an additional 3 per cent. of operating expenditures), based on the expected construction completion schedule, and excludes management fee revenue, revenue from future launches and non-construction costs.

(3) Portion of gross profit attributable to us based on our ownership interest in the units sold.

(4) Portion of our share of gross profit that has been released from escrow to cash.

(5) Portion of infrastructure costs associated with our sales backlog that has already been spent.

The following table sets out our expected recognition of free cash flow from our sales backlog and escrow, by project as at 30 September 2017, over the periods indicated.

	Three months ended 31 December	Year ended 31 December				
	2017	2018	2019	2020	2021	2022
		(AED millions)				
Free cash flow from sales backlog and escrow(1)						
Wholly-owned projects under development	735	4,245	2,833	4,425	778	314
Dubai Hills Estate	—	951	2,416	368	—	30
50 per cent. JV/JD	—	229	290	331	97	—
Total	735	5,425	5,539	5,125	875	344

Note:

(1) Based on expected construction completion schedule.

Pricing and sales

The sales prices we achieve on our projects have a significant impact on our levels of revenue, gross profit and margins. We operate in a global market of premium property buyers and investors from around the world; however, all of our projects (with the exception of one plot in our land bank located in Ras al Khaimah) are located in Dubai. The property and construction markets in the UAE and Dubai, in particular, are affected by macroeconomic factors that are beyond our control, such as real estate market conditions generally, changes in interest rates, consumer spending, inflation rates, real estate taxes, and the availability and cost of financing. Although following the global financial crisis the real estate market in Dubai saw a resurgence in demand and pricing during the period from 2011 to the middle of 2015, which resulted in increased sales for our projects compared to similar periods in 2009 to 2011, the market slowed again in the latter half of 2015 and in 2016. Since that time, while our sales have increased, pricing has remained stable at 2016 levels, and both have remained below 2014 peak levels.

In addition, the residential real estate development market in Dubai is highly competitive and this competition may affect our ability to sell our projects at expected prices. We target the prime residential real estate segment with prime locations, superior build quality and finishes and the high-quality amenities provided as part of our integrated lifestyle master plan communities. While we are able to leverage the strength of the Emaar brand and the quality of our developments to support our premium pricing levels, our competitors may lower their pricing for developments which are comparable to those we are selling, which could result in downward pressure on our pricing. The extent to which our sales team creates demand for our projects also has a direct impact on the prices we can achieve. In addition to detailed sales and marketing plans that aim to optimise the prices we are able to achieve for our residential units over the life of a project, we strategically retain a certain percentage of residential units in particular projects for sale after the initial launch in order to maximise average selling prices and sustain demand.

Sales prices typically increase over the course of the project development process, both at the development and master plan levels. Residential units available in early stage launches are sold at comparatively lower prices to create demand. Higher priced residential units are sold as the project matures, and we introduce periodic price increases across our residential units as construction progresses to reflect the decrease in supply. We target an average gross margin for our projects of approximately 40 per cent. Our gross margin tends to be lower in the early stages of project development, as lower priced residential units are sold first to activate the project site, and then increase over the course of completion of the project to achieve the targeted overall gross margin. As at 30 September 2017, we had an inventory of approximately 200 completed and unsold residential units (including plots of land for sale), with an expected sales value of approximately AED2 billion and an expected gross profit margin of 60 per cent. based on current pricing for these developments.

Different project types produce different profitability profiles. Our projects contain different types and configurations of living arrangements, including villas, townhouses and apartments (including serviced apartments). In addition to the configurations themselves and the type of development in which they are located (i.e. single family home, low-rise or high-rise building, branded building, serviced apartment building), the location of the project and its amenities also have an impact on the prices of the units and, consequently, the margins that we are able to achieve. For example, while villa developments, such as Arabian Ranches, generally tend to have higher margins because of the lower cost of development and premium price points associated with our villa communities, our flagship project, Downtown Dubai, commands much higher prices per square foot for apartments because of its prestigious location and amenities.

Cost control

Our profit margins are directly correlated to our ability to manage our costs and to make cost-effective purchasing decisions. The most important factor in this regard is our proactive approach to procurement, including our tender management process. We leverage our scale across our project portfolio to ensure the best possible terms for procurement of key components and services. We have well developed systems in place to maintain our target margins and enhance our operational and financial performance through the management of construction costs and the performance of our contractors. We manage the performance of our contractors through a pre-qualification process that comprises both technical and financial elements. We place limits on variation orders and changes from our original approved designs, and construction progress and quality is monitored by third-party supervision consultants. Project contracts are lump-sum and awarded at a fixed price, and we require a performance bond equal to 5 to 10 per cent. of the contract sum at the time the contract is awarded. Our standard form contracts allow us to trigger early termination clauses in the case of non-performing contractors. In addition, we spend considerable time in the design phase to ensure that building efficiencies are maximised, including through value engineering processes that allow us to continue to add units to developments as they are being constructed to ensure maximum cost efficiency.

In addition to the efficiencies realised through our procurement and tender oversight processes, our costs and margins are also impacted by raw material and basic input costs which are tied to international commodities prices and thus can fluctuate widely at different points in the economic cycle. The principal raw materials used in construction of our projects are cement, which is procured locally from within the UAE, and steel, which is primarily imported into Dubai by ship from locations such as India and China. Aluminium and glass are the other principal building components which are also imported from countries in the region. There is a tendency for movements in building prices to partially correlate to movements in raw material prices. Our construction contracts are tendered on a fixed price basis, which insulates us from increases in material costs during the course of a particular development.

Explanation of Certain Consolidated Statement of Comprehensive Income Items

Revenue

Our revenue is primarily derived from the sale of BTS residential units, as well as the sale of other BTS assets. We also derive revenue from development management fees paid by our joint ventures for managing the development activities of those joint ventures. Going forward, we will also earn revenue in the form of development management fees paid by Emaar Properties in consideration for providing project development management services for the BTL and BTO assets within our wholly-owned and joint venture projects.

Cost of revenue

Cost of revenue primarily comprises construction costs for our BTS assets.

Selling, general and administrative expenses

Selling, general and administrative expenses comprises expenses relating to sales and marketing, payroll and related expenses, IT expenses, property management expenses and depreciation of property and plant and equipment. Shared services costs, which are charged by Emaar Properties at 3 per cent. of our revenue and which primarily comprise re-charges relating to human resources and other corporate functions, also form part of selling, general and administrative expenses.

Finance income/(costs)

Finance income primarily comprises interest earned on escrow and other bank balances. Finance costs comprise the unwinding of a one-time fair value gain previously recognised on a long term payable and bank charges for providing bank guarantees to RERA. Going forward, finance costs will include costs associated with our borrowing facility.

Other income

Other income comprises late payment penalties, forfeited deposits and fees for ancillary and administrative services.

Recent Developments

On 27 September 2017, we signed a five-year AED4,775 million murabaha facility with First Abu Dhabi Bank. On 30 October 2017, we drew down AED3,967 million under this facility and used the proceeds to pay a dividend of AED3,910 million (net of fees) to Emaar Properties. The remaining undrawn balance is available for future drawdowns. The facility is secured against the proportion of our sales backlog held in escrow and has a five-year maturity, amortising in three equal instalments commencing in the third year. The facility contains financial covenants including a net debt to EBITDA ratio of 4.0 or less and an EBITDA to net finance charges ratio of greater than 5.0.

Pursuant to the terms of the Relationship Agreement with Emaar Properties (as defined in "*Related Party Transaction and Material Contracts*"), Emaar Properties has made available to the Company a revolving credit facility of up to US$300 million. The Company will use this credit facility to meet its operating cashflow requirements from time to time. As at the date of this prospectus, this facility was undrawn. For more information, see "*Related Party Transaction and Material Contracts*".

We initiated the process to increase our share capital from AED300,000 to AED4 billion by conversion of shareholders' contribution into share capital which completed on 17 October 2017.

Results of Operations

Comparison of the nine months ended 30 September 2016 and 30 September 2017

The following discussion and analysis of our results of operations for the nine months ended 30 September 2016 and 30 September 2017 is based on the Financial Statements included elsewhere in this Prospectus.

Revenue

Revenue increased by AED1,379 million, or 27 per cent., from AED5,130 million in the nine months ended 30 September 2016 to AED6,508 million in the nine months ended 30 September 2017. The increase was driven by progress on developments under construction, including Boulevard Crescent, Boulevard Heights, Vida Downtown, Opera Grand, Azalea, Mulberry, Maple I & II and Sidra I, and the recognition of associated revenue.

The following table sets out the product mix that contributed to our revenue in the nine months ended 30 September 2016 and 2017.

	Nine months ended 30 September	
	2016	**2017**
	(AED millions)	
Sale of condominiums	2,132	3,870
Sale of villas	2,130	2,218
Sale of commercial units, plots of land and others[1]	868	420
Revenue	5,130	6,508

Note:

(1) Includes management fees.

Cost of revenue

Cost of revenue increased by AED778 million, or 26 per cent., from AED2,981 million in the nine months ended 30 September 2016 to AED3,758 million in the nine months ended 30 September 2017. This increase was in line with the revenue growth described above.

The following table sets out our cost of revenue by revenue source for the nine months ended 30 September 2016 and 2017.

	Nine months ended 30 September	
	2016	2017
	(AED millions)	
Cost of condominiums	1,518	2,559
Cost of villas	1,280	1,176
Cost of commercial units, plots of land and others	183	24
Cost of revenue	2,981	3,758

Selling, general and administrative expenses

Selling, general and administrative expenses increased by AED34 million, or 9 per cent., from AED404 million in the nine months ended 30 September 2016 to AED438 million in the nine months ended 30 September 2017. This increase was due to an increase in sales and marketing expenses, primarily sales commissions, which are linked to the purchase prices of our residential units which are being recognised as revenue.

Finance income

Finance income increased by AED3 million, or 4 per cent., from AED87 million in the nine months ended 30 September 2016 to AED90 million in the nine months ended 30 September 2017. This increase was due to increases in our escrow bank balances, driven by an increase in sales.

Other income

Other income increased by AED8 million, or 18 per cent., from AED47 million in the nine months ended 30 September 2016 to AED55 million in the nine months ended 30 September 2017. This increase was primarily due to higher processing fee income earned from customers.

Share of results of joint venture

Shares of results of joint venture increased by AED2 million, or 118 per cent., from negative AED2 million in the nine months ended 30 September 2016 to negative AED4 million in the nine months ended 30 September 2017. This decrease was principally due to a net loss incurred by Emaar South which was attributable to upfront marketing costs incurred in connection with new development launches.

Profit for the period

As a result of the factors discussed above, profit for the period increased by AED576 million, or 31 per cent., from AED1,866 million in the nine months ended 30 September 2016 to AED2,442 million in the nine months ended 30 September 2017.

Comparison of the years ended 31 December 2014, 2015 and 2016

The following discussion and analysis of our results of operations and financial condition for the years ended 31 December 2014, 2015 and 2016 is based on the Financial Statements included elsewhere in this Prospectus.

Revenue

Revenue increased by AED2,113 million, or 67 per cent., from AED3,140 million in 2014 to AED5,253 million in 2015 and by a further AED1,646 million, or 31 per cent., to AED6,899 million in 2016. These increases in revenue were driven by progress on developments under construction and the consequent recognition of associated revenue, including Arabian Ranches II, Fountain Views, Sky Views, Burj Vista and Address Boulevard.

The following table sets out the product mix that contributed to our revenue in each of the three years indicated below.

	Year ended 31 December		
	2014	2015	2016
	(AED millions)		
Sale of condominiums	1,365	2,913	3,237
Sale of villas	621	823	2,609
Sale of commercial units, plots of land and others[(1)]	1,153	1,517	1,053
Revenue	3,140	5,253	6,899

Note:

(1) Includes management fees.

Cost of revenue

Cost of revenue increased by AED1,559 million, or 120 per cent., from AED1,299 million in 2014 to AED2,858 million in 2015 and by a further AED1,179 million, or 41 per cent., to AED4,037 million in 2016. The increases were due to a change in product mix, particularly a significant increase in the construction of condominium buildings, which have higher costs than villas or land.

The following table sets out the product mix that contributed to our cost of revenue for each of the three years indicated below.

	Year ended 31 December		
	2014	2015	2016
	(AED millions)		
Cost of condominiums	665	2,030	2,253
Cost of villas	394	444	1,565
Cost of commercial units, plots of land and others	239	384	219
Cost of revenue	1,299	2,858	4,037

Gross profit

Gross profit increased by AED554 million, or 30 per cent., from AED1,841 million in 2014 to AED2,395 million in 2015 and by a further AED466 million, or 19 per cent., to AED2,861 million in 2016. Gross profit margins decreased across the three-year period from 59 per cent. in 2014 to 46 per cent. in 2015 and 41 per cent. in 2016, driven by a shift in product mix as described above.

Selling, general and administrative expenses

Selling, general and administrative expenses increased by AED118 million, or 24 per cent., from AED493 million in 2014 to AED611 million in 2015, and decreased by AED34 million, or 6 per cent., to AED577 million in 2016. The increase from 2014 to 2015 was primarily due to a higher level of shared services, payroll and other personnel costs which resulted from an expansion in headcount over the period to support our increased development and sales activity. The decrease from 2015 to 2016 was primarily due to the decrease in these shared services and stabilisation of payroll and other personnel costs following the large increase in the prior period.

Finance income

Finance income decreased by AED79 million, or 57 per cent., from AED140 million in 2014 to AED61 million in 2015 and increased by AED64 million, or 105 per cent., to AED124 million in 2016. In 2014, finance income principally reflected the realisation of a fair value gain on a long term payable, as well as income earned on escrow bank balances. Finance income in 2015 and 2016 reflected income earned on escrow balances which increased during the period under review. The interest rates applicable to fixed deposits with maturities of greater than 3 months between 2014 and 2016 ranged between 0.65 per cent. and 2.95 per cent.

Finance costs

Finance costs decreased by AED19 million, or 54 per cent., from AED36 million in 2014 to AED16 million in 2015 and by a further AED3 million, or 16 per cent., to AED14 million in 2016. These decreases were mainly due to the repayment of a financing facility in 2014 and the lower bank guarantee charges.

Other income

Other income decreased by AED24 million, or 15 per cent., from AED158 million in 2014 to AED134 million in 2015 and by a further AED74 million, or 55 per cent., to AED60 million in 2016. These decreases were primarily due to a fall in the number of deposits forfeited and late payment penalty income from customers.

Profit for the year

As a result of the factors discussed above, profit for the year increased by AED351 million, or 22 per cent., from AED1,611 million in 2014 to AED1,962 million in 2015 and by a further AED490 million, or 25 per cent., to AED2,452 million in 2016.

Analysis of Certain Consolidated Statement of Financial Position Items

Bank balances

Our bank balances primarily comprise cash collected from customers and held in project escrow accounts. As at 30 September 2017, our bank balances amounted to AED10,167 million, compared to AED9,754 million, AED9,461 million and AED7,394 million as at 31 December 2016, 2015 and 2014, respectively. The increase in bank balances was primarily due to increased sales of new properties and the collection of associated deposits and instalments, as well as incremental cash collections from customers on projects under development.

Trade and unbilled receivables

Trade and unbilled receivables comprise amounts that are yet to be collected from customers. Receivables for which an invoice has been issued in accordance with the relevant sales contract but has remained unpaid are classified as 'trade receivables'. Those receivables which are recognised but unpaid because the relevant construction milestone required for invoicing has not yet been reached are classified as 'unbilled receivables'.

The ageing analysis of trade and unbilled receivables was as follows, as at the dates indicated below:

			Past due but not impaired			
	Total	Neither past due nor impaired	Less than 30 days	Between 30 to 60 days	Between 60 to 90 days	More than 90 days
			(AED millions)			
30 September 2017	1,346	660	100	55	9	523
31 December 2016	1,472	944	99	34	32	363
31 December 2015	1,054	868	39	16	31	99
31 December 2014	720	607	65	5	4	40

As at 30 September 2017, trade and unbilled receivables were AED1,346 million, compared to AED1,472 million as at 31 December 2016, AED1,054 million as at 31 December 2015 and AED720 million as at 31 December 2014. Movements in trade and unbilled receivables are driven by the timing of achievement of construction milestones on our projects and the associated collections from customers.

Other assets, receivables, deposits and prepayments

Other assets, receivables, deposits and prepayments primarily comprise advances to contractors, deferred sales commission and funding for joint development agreements recoverable from Emaar Properties. As at 30 September 2017, other assets were AED2,855 million, compared to AED1,777 million as at 31 December 2016, AED909 million as at 31 December 2015 and AED592 million as at 31 December 2014. The increases over the periods reflected increased sales activity, resulting in higher commission payments to sales agencies, as well as increased construction activity at a number of developments requiring increased payments to contractors, including Downtown Dubai, Dubai Hills Estates and Dubai Creek Harbour.

Development properties

Properties acquired, constructed or in the course of construction for sale are classified as development properties. Development properties are stated at the lower of cost or net realisable value. Costs incurred on development of projects are first recognised as development property in our consolidated statement of financial position and then charged to our consolidated statement of comprehensive income as cost of revenue when the corresponding revenue of such project is recognised. Development properties includes capitalised costs associated with our wholly-owned projects and Dubai Hills Estate (as it is fully consolidated), but excludes any land bank, developments or capitalised costs from joint venture projects that are not consolidated. As at 30 September 2017, development properties amounted to AED6,492 million, compared to AED6,022 million as at 31 December 2016, AED4,483 million as at 31 December 2015 and AED4,802 million as at 31 December 2014.

Trade and other payables

Trade and other payables primarily comprises project costs accruals, payables to contractors and amounts owed for land purchases. As at 30 September 2017, trade and other payables amounted to AED3,548 million, compared to AED3,032 million as at 31 December 2016, AED2,830 million as at 31 December 2015 and AED2,699 million as at 31 December 2014. The increase over the period was primarily due to increased construction activities at our wholly-owned projects and at Dubai Hills Estates, as well as increased payables related to the purchase of Downtown Views II and Ras Al Khaimah land.

Advances from customers

Advances from customers are the amounts paid by customers in accordance with their sales contract, held in escrow or other accounts until they can be recognised as revenue and are carried net of revenue recognised. As at 30 September 2017, advances from customers amounted to AED8,032 million, compared to AED8,136 million as at 31 December 2016, AED7,877 million as at 31 December 2015 and AED7,324 million as at 31 December 2014. The slight movement over the period was due primarily to increased sales of new properties and the collection of associated balances, as well as higher levels of incremental collections from customers on projects under development.

Liquidity and Capital Resources

Our principal liquidity requirements arise from the need to fund the development of our projects. During the periods under review, our liquidity needs were funded principally from the pre-sales of our BTS residential units.

Following the sale of a BTS residential unit, customer payments are held in an escrow account. All construction payments are made from the associated project escrow account. We are permitted to withdraw cash from our escrow accounts before project completion to the extent that the relevant balance exceeds the construction costs remaining on the project and we have received approval to do so from RERA. We are required to maintain an amount equal to 5 per cent. of construction costs of the relevant project in the associated escrow account for a period of one year following completion of the project.

Cash flow from wholly-owned projects includes cash collected from the sale of BTS assets, cash paid for construction costs, as well as development fees received from Emaar Properties relating to the development of the BTL and BTO assets within these projects. Our cash flows from Dubai Hills Estate include cash collected from the sale of BTS assets, cash paid for construction costs, the management fee paid by the joint venture for the development of the BTS assets in the project, as well as the management fee paid by Emaar Properties for the development of the BTL and BTO assets in the project. Our cash flows from Dubai Creek Harbour include the development management fees paid pursuant to the joint development agreement (equivalent to 50 per cent. of the net profit realised on the BTS assets) and, in the future, will include the management fee to be paid by Emaar Properties for the development of the BTL and BTO assets in the project.

Our cash and cash equivalents as at 30 September 2017 were AED8,106 million, compared to AED6,601 million, AED6,869 million and AED4,621 million as at 31 December 2016, 2015 and 2014, respectively.

Comparison of the nine months ended 30 September 2016 and 30 September 2017

The following table sets out a summarised presentation of our consolidated statements of cash flows for the nine months ended 30 September 2016 and 30 September 2017:

	For the nine months ended 30 September	
	2016	**2017**
	(AED millions)	
Net cash from operating activities	943	1,425
Net cash (used in)/from investing activities	(262)	813
Net cash from/(used in) financing activities	47	(733)
Increase in cash and cash equivalents	728	1,505
Cash and cash equivalents at the beginning of the period	6,869	6,601
Cash and cash equivalents at the end of the period	7,597	8,106

Net cash from operating activities

Net cash from operating activities increased by AED483 million from AED943 million in the nine months ended 30 September 2016 to AED1,425 million in the nine months ended 30 September 2017. This increase was due to increased profitability due to higher levels of revenue recognition on incremental construction progress achieved.

Net cash (used in)/from investing activities

Net cash used in investing activities was AED262 million in the nine months ended 30 September 2016 as compared to net cash from investing activities of AED813 million in the nine months ended 30 September 2017 representing an increase in cash inflow of AED1,075 million. The movements were driven by a decrease in deposits maturing after three months due to the maturation of deposits in fixed rate escrow accounts.

Net cash from/(used in) financing activities

Net cash from financing activities was AED47 million in the nine months ended 30 September 2016 as compared to net cash used in financing activities of AED733 million in the nine months ended 30 September 2017. The decrease was driven by a decrease in net shareholders' contributions and a dividend being paid to a joint venture partner.

Comparison of the years ended 31 December 2014, 2015 and 2016

The following table sets out a summarised presentation of our consolidated statements of cash flows for the three years ended 31 December 2016:

	For the year ended 31 December		
	2014	**2015**	**2016**
	(AED millions)		
Net cash from/(used in) operating activities	3,529	2,200	(31)
Net cash (used in)/from investing activities	(2,431)	239	(463)
Net cash (used in)/from financing activities	(2)	(191)	225
Increases/(decrease) in cash and cash equivalents	1,096	2,249	(269)
Cash and cash equivalents at the beginning of the year	3,525	4,621	6,869
Cash and cash equivalents at the end of the year	4,621	6,869	6,601

Net cash from/(used in) operating activities

Net cash from operating activities was AED3,529 million in 2014 as compared to AED2,200 million in 2015 and net cash used in operating activities of AED31 million in 2016. The principal factors contributing to these decreases were the significant increase in construction activities and certain projects reaching the 20 per cent. completion milestone for revenue recognition. This resulted in a smaller net increase in advances from customers in 2016 as compared to 2015 and 2014.

Net cash (used in)/from investing activities

Net cash used in investing activities was AED2,431 million in 2014 as compared to net cash from investing activities of AED239 million in 2015 and net cash used in investing activities of AED463 million in 2016. These fluctuations were predominantly driven by changes in deposit levels reflecting fluctuations in the portion of sales collected prior to the commencement of construction. We allocate sales collections to escrow accounts with differing interest rates based on the construction schedule for the relevant project and anticipated timing of costs.

Net cash (used in)/from financing activities

Net cash used in financing activities was AED2 million in 2014 and AED191 million in 2015 as compared to AED225 million net cash from financing activities in 2016. These fluctuations were driven primarily by the repayment of an export credit agency loan in 2014 taken in connection with the financing of our projects, a dividend paid to our joint venture partner in Dubai Hills Estate in 2016, and shareholder's contribution received from Emaar Properties in 2016.

Financial Liabilities and Contractual Obligations

Term Loan Facility

On 27 September 2017, we signed a five-year AED4,775 million murabaha financing agreement with First Abu Dhabi Bank. On 30 October 2017, we drew down AED3,967 million and used the proceeds to pay a dividend of AED3,910 million (net of fees) to Emaar Properties. The remaining undrawn balance is available for future drawdowns. The facility is secured against the proportion of our sales backlog held in escrow and has a five-year maturity, amortising in three equal instalments commencing in the third year.

The facility contains financial covenants including a net debt to EBITDA ratio of 4.0 or less and an EBITDA to net finance charges ratio of greater than 5.0.

Parent Credit Line

Pursuant to the terms of the Relationship Agreement with Emaar Properties (as defined in "*Related Party Transaction and Material Contracts*"), Emaar Properties has made available to the Company a revolving credit facility of up to US$300 million. The Company will use this credit facility to meet its operating cashflow requirements from time to time. As at the date of this prospectus, this facility was undrawn. For more information, see "*Related Party Transaction and Material Contracts*".

Off-Balance Sheet Arrangements

RERA requires construction on property developments to reach 20 per cent. completion before sales can begin. Alternatively, the developer may provide a bank guarantee equal to 20 per cent. of the project's value to RERA and begin sales prior to the commencement of construction. As the pre-sale of our residential units is a key part of our business model, we obtain bank guarantees for all of our developments and deposit it with RERA as security for the development of projects. The bank guarantees are cancelled with respect to the particular development once the 20 per cent. completion threshold is reached. For further detail, please see Note 21 to the Audited Financial Statements and Note 15 to the Unaudited Interim Financial Statements.

Related Party Transactions

Note 23 to the Audited Financial Statements and Note 17 to the Unaudited Interim Financial Statements contain detailed disclosure about significant transactions with related parties and significant related party balances, including with Emaar Properties. As at 30 September 2017, our principal related party transactions were with Emaar Properties and its affiliated entities. These transactions are appropriately described in the note. Please also see "*Related Party Transactions and Material Contracts*".

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to the following risks related to financial instruments: credit risk, market risk and liquidity risk. See Note 24 to the Audited Financial Statements included elsewhere in this Prospectus for additional information about our financial risk management.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk principally from our receivables from customers, other receivables and from our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade, unbilled and other receivables

Our exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of our customer base, including the default risk of the industry and country in which customers operate has less influence on credit risk. We earn our revenues from a large number of customers including international customers.

We have entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the relevant sales contracts. We are exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that our exposure to bad debts is not significant.

We establish an allowance for impairment at each reporting date that represents our estimate of incurred losses in respect of trade, unbilled and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Other financial assets and cash deposits

With respect to credit risk arising from our other financial assets, which comprise bank balances and cash, loans to joint venture, other receivables and deposits, our exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by the treasury function of Emaar Properties in accordance with their policy. We limit our exposure to credit risk by only placing balances with banks of good repute. Given the profile of its bankers, we do not expect any counterparty to fail in meeting its obligations.

Guarantees

Our policy is to provide financial guarantees only to our subsidiary and joint ventures. For details of guarantees outstanding as at the reporting date refer Note 21 to the Audited Financial Statements and Note 15 to the Unaudited Interim Financial Statements.

Excessive concentration risk

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of our performance to developments affecting a particular industry.

In order to avoid excessive concentration risk, our policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used to manage risk concentrations at both the relationship and industry levels.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risks, which will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. We are not exposed to any significant market risk. Our monetary assets are mainly denominated in AED or other currencies pegged to the U.S. dollar (to which AED is also pegged).

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations.

Our cash flows, funding requirements and liquidity are monitored on a centralised basis, under the control of the treasury function of Emaar Properties. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of our capital resources. Our objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. We manage liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board and applicable requirements of UAE law. The preparation of the consolidated financial statements requires management to make certain judgments and is subject to certain estimation uncertainties, the most significant of which are described in Note 2 to the Audited Financial Statements and the Unaudited Interim Financial Statements.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised. The key judgments, estimates and assumptions that have a significant impact on our Financial Statements are discussed below:

Satisfaction of performance obligations

We are required to assess each of our 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. We have 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, we do not create an asset with an alternative use and usually have an enforceable right to payment for performance completed to date. In these circumstances we recognise revenue over time. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices

We are required to determine the transaction price in respect of each of our contracts with customers. In making such judgment we assess 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. In determining the impact of variable consideration we use the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where we determine that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer.

Consolidation of subsidiary

We have evaluated all the investee entities including special purpose entities to determine whether we control the investee as per the criteria laid out by IFRS 10 Consolidated Financial Statements. We have evaluated, among other things, our ownership interest, the contractual arrangements in place and our ability and the extent of our involvement with the relevant activities of the investee entities to determine whether we control the investee.

Split of real estate components

The Financial Statements include certain assets, liabilities, income, expenses and cash flows which are allocated based on management assumptions and estimates. This mainly includes development properties, trade and other payables, selling, general and administrative expenses. These are allocated based on evaluation by project consultants and management's best estimate of use of corporate resources.

Impairment of trade and other receivables

An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Allocation of transaction price to performance obligation in contracts with customers

We have elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognised over time. We consider that the use of the input method, which requires revenue recognition on the basis of our efforts to the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the input method, we estimate the cost to complete the projects in order to determine the amount of revenue to be recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Cost to complete the projects

We estimate the cost to complete the projects in order to determine the cost attributable to revenue being recognised. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Impairment of non-financial assets

We assess whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

BUSINESS

Investors should read this section of this Prospectus in conjunction with the more detailed information contained in this Prospectus, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations". Where stated, financial information in this section of this Prospectus has been extracted from the Financial Statements.

Overview

We are the leading developer of integrated lifestyle master plan communities in Dubai, which feature world-class residential and commercial property, shopping malls and other retail assets and high-end hospitality and leisure attractions. Redefining the traditional approaches to property development, our integrated lifestyle master plan communities are distinguished by their world-class design, superior build quality, high quality finishes and wide range of amenities. Our integrated lifestyle master plan concept combines retail, hospitality, leisure and other requirements of our residents within secure, well-maintained communities.

With the support of our parent company, Emaar Properties, we have developed some of Dubai's most prestigious integrated lifestyle master plan communities, including Emirates Living, the first major freehold community built in Dubai, Dubai Marina, the region's largest man-made marina development, and Downtown Dubai, one of the world's most visited destinations. Since 2002, we have delivered over 34,500 residential units, and, according to JLL, as of 30 September 2017, approximately 22 per cent. of all freehold residential units in Dubai were located in our integrated lifestyle master plan communities.

We oversee all aspects of an integrated lifestyle master plan community's development, from its initial concept development and design, through construction, to sales and marketing. Partnering with the region's leading construction firms, we maintain strict oversight and seek to ensure that our projects are completed within budget and to the highest standards. Our projects typically contain residential units, such as apartments, townhouses, villas or offices that are built for sale ("BTS assets"); commercial units, including offices, retail space, educational and medical facilities which are built for leasing to occupiers by Emaar Properties or its subsidiaries ("BTL assets"); and recreational amenities such as parks, water features and other outdoor space. Certain of our projects also contain hotels, polo and golf clubs, which are built for operation by Emaar Properties or its subsidiaries ("BTO assets"). We develop and sell BTS assets and are paid a management fee by Emaar Properties to manage the development of BTL and BTO assets. In addition, we ensure through our collaboration with local regulators, utility companies and government agencies that the infrastructure necessary to support these residential communities, such as roads, power, water and sewage, landscaping and open recreational spaces, is in place.

Our extensive pipeline of projects in prime locations, including our 170 million square foot GFA land bank for BTS assets (213 million square foot total GFA including BTL/BTO assets) as at 30 September 2017, positions us to capitalise on the further growth of the Dubai residential real estate market. In addition, we benefit from strong relationships with our joint venture partners who also provide land for our projects. We have longstanding relationships with GREs and other leading property developers, many of whom are our joint venture partners, giving us access to Dubai's premier development opportunities. Since our inception, we have played a key role in the development of Dubai from a regional hub to a global destination, with some of its most iconic features forming part of our integrated lifestyle master plan communities, and we remain committed to continuing to contribute to the delivery of Dubai's vision.

As at 30 September 2017, we had 24,010 residential units under construction, 80 per cent. of which were pre-sold. We have a total of 10 projects in our project portfolio, which had an Adjusted NAV of AED24.1 billion as at 30 September 2017. Our project portfolio is comprised of wholly-owned projects under development (Downtown Dubai, Arabian Ranches, Dubai Marina and Emirates Living), joint venture projects (Dubai Hills Estate, Emaar South and Zabeel Square), a joint development project (Dubai Creek Harbour) and our land bank (Al Marjan (Ras al Khaimah) and Dubai Harbour).

The table below sets out certain key metrics for each of our projects as at 30 September 2017.

	100% Owned Developments				100% Consolidated JV	JVs/JDA with 50% Share			Land bank (100% owned)		
	Downtown Dubai	Arabian Ranches	Dubai Marina	Emirates Living	Dubai Hills Estate	Dubai Creek Harbour(2)(3)	Emaar South(2)	Zabeel Square(2)	Al Marjan (Ras Al Khaimah)	Dubai Harbour(4)	Total
Total units under development	8,714	1,157	838	562	6,123	5,201	1,415		In Planning Stage		24,010
% of units sold	85%	81%	95%	99%	79%	70%	59%		In Planning Stage		80%
Gross margin achieved (%)(1)	42%	49%	38%	31%	46%	27%	32%		In Planning Stage		41%
Escrow balance (AED bn)	6.4	0.3	0.4	0.4	2.4	0.8	0.1		In Planning Stage		10.9
Sales backlog to be recognised (AED bn)	18.9	0.8	1.8	0.4	12.2	5.9	0.9		In Planning Stage		40.8
Total remaining GFA (million sqf)	3.8	0.5	—	0.2	58.4	104.5	32.2	2.2	1.3	10.3	213.3
Remaining GFA of BTL and BTO assets (million sqf)	0.5	0.0	—	0.0	13.8	24.7	3.0	0.2	0.2	0.7	43.1
Remaining GFA of BTS assets (million sqf)	3.3	0.5	—	0.2	44.6	79.9	29.1	2.0	1.1	9.5	170.2
Remaining BTS units to be launched	2,142	847	—	19	23,851	59,799	21,605	1,700	800	7,175	117,938
Remaining years to launch	1	1	—	1	10	12	9	1	2	7	n/a
Remaining years to complete	4	4	—	4	14	16	13	4	6	11	n/a

Notes:

(1) Based on the number of units sold which were under development as at 30 September 2017 and, therefore, not necessarily indicative of margins that will be achieved at project completion.

(2) JVs/JDA numbers presented reflect the total project and do not reflect our proportional share. Our entitlement/share of profits is 50 per cent.

(3) Dubai Creek Harbour is being developed pursuant to a joint development agreement. We are entitled to a development management fee, but hold no interest in the land.

(4) Partial acquisition of land completed, full acquisition and transfer of title are pending.

For the years ended 31 December 2014, 2015 and 2016 and the nine months ended 30 September 2016 and 2017, we had revenues of AED3,140 million, AED5,253 million, AED6,899 million, AED5,130 million and AED6,508 million, respectively, sales of AED12,338 million, AED10,227 million, AED14,411 million, AED11,601 million and AED15,361 million, respectively, and total comprehensive income of AED1,611 million, AED1,962 million, AED2,452 million, AED1,866 million and AED2,442 million, respectively.

History

Emaar Development has operated as a part of Emaar Properties since its inception in 1997. The Government of Dubai gifted Emaar Properties the initial components of its land bank in 1998. In 1999, we launched Emirates Living, the first major freehold integrated lifestyle master plan community in Dubai. Our second project, Dubai Marina, launched in 2000 and was shortly thereafter followed in 2002 and 2004 with the launch of our desert-themed integrated lifestyle master plan community, Arabian Ranches, and Downtown Dubai, our flagship community that combines commercial, residential, hotel, entertainment, shopping and leisure developments. Since the establishment of Downtown Dubai, we have been the pre-eminent residential real estate developer in Dubai, transforming the city's landscape and offering modern, high-end residences alongside iconic attractions such as the Burj Khalifa and the Dubai Mall, the world's tallest tower and most visited shopping mall, respectively.

Our developments have received a number of the industry's most prestigious awards, including YouGov's Best Real Estate Brand in the UAE 2017, International Business Excellence 2017 and Sustainability Initiative of the Year 2017.

Competitive Strengths

The combination of our excellence in executing master planned projects, valuable asset base, de-risked cash generation business model, experienced management team and support from Emaar Properties has enabled us to become the leading residential real estate developer in Dubai. As a result, we believe we benefit from the following key competitive strengths:

Premier real estate developer in a growing and adaptable market with supportive macroeconomic fundamentals

We are the leading developer of integrated lifestyle master plan communities in Dubai. Since our inception, we believe we have played a key role in the development of Dubai from a regional hub to a global destination. Our profitable track record and our expectation of robust growth in our business are fundamentally linked to our market position in Dubai and the platform it provides for the successful development of our project portfolio. Dubai is the second largest Emirate (by area, population and GDP) in the UAE after Abu Dhabi and, as such, is an important part of the wider UAE economy. Dubai has a diversified economy, and we benefit from its strong fundamentals. Unlike many others in the region, Dubai's economy has limited dependence on oil and associated products. With its Dubai 2030 Vision, the Government of Dubai is pursuing a transition to an international hub for knowledge-based innovation and sustainable industrial activities and the creation of a significant number of specialised jobs. Consequently, Dubai has a sound macroeconomic outlook underpinned by strong diversification, which together with projected GDP and population growth is expected to drive demand for real estate. Offering rental yields in excess of many other major international cities, Dubai's real estate market has been resilient through economic cycles and is an attractive destination for international investment given its enhanced regulatory and stabilised pricing environment. Our reputation as the premier supplier of prime residential real estate has allowed us to capitalise on Dubai's sound macroeconomic fundamentals. We believe that these strong fundamentals, together with Dubai's advancing infrastructure and status as an international trade, transit and tourism hub, provide an optimal platform for robust growth in our business.

Excellence in execution, exceptional platform and customer base

We have developed Dubai's premier integrated lifestyle master plan communities containing some of the city's most iconic assets, including Downtown Dubai with the Burj Khalifa, the world's tallest building, and the Dubai Mall, the world's most visited shopping mall. Our extensive track record of development, including Emirates Living, the UAE's first freehold master plan community, has allowed us to develop unmatched expertise in the design and execution of these complex and large-scale projects. We believe our experience and expertise makes the Emaar brand one of the most sought after in our market, and has resulted in the sale of higher volumes of residential units at higher prices than our principal competitors. For example, according to REIDIN, as at 30 September 2017, the average price per square foot for residential units in Dubai was AED1,292 while the average price per square foot of our residential units was AED1,959.

Our market leading position provides us with valuable consumer intelligence that informs our design and planning processes, as well as our marketing, sales and distribution strategy. Despite the scale and complexity of our projects, our development strategy is agile and driven by market intelligence from our sales and marketing teams, allowing us to respond to shifting demand trends to address the needs and preferences of our customers and maintain a healthy sales backlog and profit margins across our project portfolio. Our customer base continues to grow with approximately 3,700 new customers in the nine months ended 30 September 2017, well above average for the last three years. We also benefit from an affluent customer base, including a substantial number of repeat customers, who in the nine months ended 30 September 2017 had purchased an average of 2.7 of our residential units. In addition, the strength of the Emaar brand has broadened the appeal of our projects to an international audience, which, in the nine months ended 30 September 2017, accounted for 36 per cent. of our total sales, up from 27 per cent. in 2014.

Valuable asset base and de-risked cash generation business model

Our extensive pipeline of projects in prime locations, including our 170 million square foot GFA land bank for BTS assets (213 million square foot total GFA including BTL/BTO assets), positions us to capitalise on the further growth of the Dubai residential real estate market. As at 30 September 2017, our project portfolio, including our share of joint venture projects, had an Adjusted NAV of AED24.1 billion. In addition to our substantial existing land bank, we benefit from strong relationships with reputable joint venture partners, including GREs, who also provide land for our projects, minimising our capital investment requirements. We estimate that our land bank is sufficient to provide us with 12 years of project launches and 16 years of project completions (assuming four years to complete launches), giving us a competitive advantage over others in our market who must invest substantial capital to secure land for development. Our well-established project development process allows us to convert our high-quality land bank into cash-generative developments with no immediate requirement of new land and while maintaining strong profit margins and minimising capital investment. Before construction of a development commences, an average of 70 per cent. of the residential units in the development are pre-sold and between 30 and 40 per cent. of the total sales value of those residential units is collected, which ensures that the project is substantially self-funded through customer payments throughout the entire construction cycle. Funding the development of our projects through pre-sale cash flow de-risks our business model and provides strong revenue visibility based on our sales backlog. We expect to deliver approximately 24,000 residential units over the next four years and, as at 30 September 2017, our associated sales backlog was AED41 billion. As at 30 September 2017, we had approximately 4,800 residential units available for sale and under development, approximately 650 units in the design phase and approximately 200 further completed units (including plots of land for sale) which we expect to sell in the next two to three years. These units have an aggregate estimated sales value of AED19 billion, based on current listing prices for the relevant projects. Over the next five years, we expect to offer approximately 50,400 further units for sale from new launches.

Experienced management team and support of Emaar Properties

As a subsidiary of Emaar Properties, we enjoy the support of a financially strong and committed major shareholder, with an unparalleled reputation for excellence in the Dubai real estate market. As one of the largest real estate master developers operating in the GCC, Emaar Properties has substantial experience designing and executing complex property development projects, from land acquisition through the design, approvals, marketing and sales stages of the real estate development lifecycle. Our affiliation with Emaar Properties allows us to pursue our business strategies with the support of one of Dubai's most respected companies. In addition, our senior management team, many of whom participated in Emaar Properties' most successful projects, brings significant experience operating in the Dubai real estate market. We will continue to have access to Emaar Properties' expertise and support following the Global Offering, as well as the benefit of the strength of its relationships with GREs and the UAE government, which we believe creates an opportunity for growth and favourable development arrangements. In preparation for the Global Offering, we have implemented a corporate governance framework in line with international best practice, including appointing three independent directors to our Board, and have entered into the Relationship Agreement with Emaar Properties to ensure that all of our related party transactions are subject to appropriate independence requirements.

Strategy

Our primary objective is to produce sustained and secure long-term returns from our projects. In particular, we intend to:

Maintain our leadership position in the prime residential real estate market in Dubai

We are the leading developer of residential real estate in Dubai, and enjoy a reputation for delivering the highest quality integrated lifestyle master plan communities in some of Dubai's most desirable locations. We adhere to our rigorous standards and processes through all phases of development. We believe that maintaining our strategic focus on delivering our current and future projects to the premium standard associated with the Emaar brand and providing an exceptional customer experience will allow us to maintain and further grow our market leading position.

Deliver value for customers

We strive to create innovative and high quality residential real estate products that deliver a superior customer experience. Our integrated lifestyle master plan communities are designed with residents in mind and seek to add value to our customers' residential properties. Our breadth of market intelligence allows us to optimise the price and composition of the relevant residential units and to tailor community amenities to meet the needs of our customers. High customer satisfaction drives sales growth and allows us to maintain premium levels of pricing for our residential units. We are committed to continuing to play a central role in the development of Dubai as an international destination.

Leverage our significant land bank and partnership with GREs

Our significant 170 million square feet GFA land bank for BTS assets (213 million square foot total GFA including BTL/BTO assets) will drive the future growth of our project portfolio. The significant size and prime location of our plots will enable us to continue to undertake complex projects built around iconic assets, such as the Tower at Dubai Creek Harbour, which is expected to overtake the Burj Khalifa as the world's tallest building when complete. We aim to maximise the value of our project portfolio by drawing on our market insight to phase and scale our product launches and build-outs to optimise demand and pricing.

Through our controlling shareholder, Emaar Properties, we have established an excellent working relationship with the Government of Dubai, as Emaar Properties is 29.2 per cent. owned by the Investment Corporation of Dubai (the "ICD"), the investment arm of the Government of Dubai. The Government's strong support of our business and our alignment with the development goals of the ICD has been evidenced by their grant of land for our Downtown Dubai project, as well as our Dubai Marina, Arabian Ranches I and Emirates Living projects. We intend to continue to leverage our favourable GRE partnerships to gain further access to significant prime land bank opportunities with minimal capital outlay through joint venture arrangements and otherwise.

Financial risk management

Our pre-sale funding model significantly de-risks the cash requirements for the development of our projects. We generally pre-sell an average of 70 per cent. of the residential units in a development and collect between 30 and 40 per cent. of the total sales value of those residential units prior to awarding main construction contracts. Our agile sales and marketing strategy underpins our business model and seeks to ensure a healthy and continuous sales backlog which enhances free cashflows, provides revenue visibility and underpins our business model. Our sales force has substantial expertise in our principal and target markets, including KSA, India, the UK, Russia and China, and leverages the Emaar brand to achieve premium pricing, further supporting our operating margins. We have and will continue to implement cost optimisation and value engineering initiatives to optimise our cost base.

Optimise capital structure and enhance returns to shareholders

We intend to maintain a conservative capital structure with sufficient flexibility to execute on sustainable growth opportunities as they arise while maintaining prudent leverage levels, which we expect will enable us to fund dividend distributions to enhance long-term shareholder value. We anticipate distributing aggregate dividends to shareholders of no less than U.S.$1.7 billion in the next three financial years ending 31 December 2020. Payment of any dividends will be subject to consideration by our Board of Directors of the cash management and operating expense requirements of our business. For further details, see "*Dividend Policy*". We intend to operate within prudent leverage limits for a company in our sector, and aim to maintain net debt of less than 60 per cent. of sales backlog profit.

Business Model

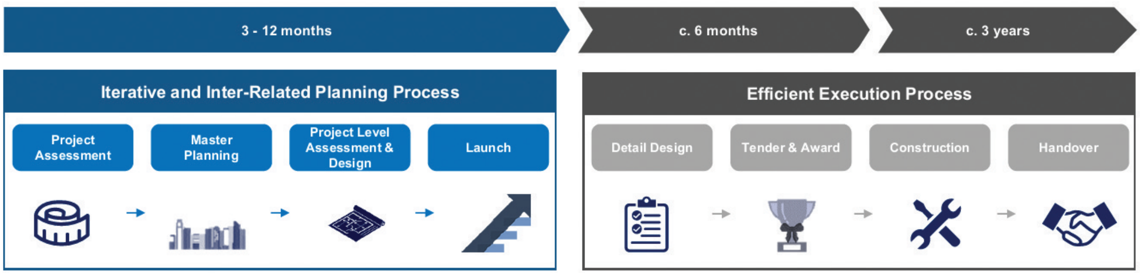
Overview

The central elements of our business model are (i) the creation of integrated lifestyle master plan communities; (ii) partnering with governments, GREs and/or key local business partners; and (iii) the project development process.

Our integrated lifestyle master plan communities combine high-end residential and commercial units with retail, hospitality and leisure attractions, and offer amenities such as schools, mosques and healthcare facilities. They are generally anchored by a landmark attraction, such as the Burj Khalifa, Dubai Marina or the Tower at Dubai Creek Harbour, and are supported by essential infrastructure such as roads, power, water and sewage, landscaping and open recreational spaces.

We seek to enter into partnerships or strategic alliances with local partners, who either provide us with development rights to tracts of desirable land at attractive prices or contribute land as part of their equity participation in our joint venture projects. These partners are typically government entities and GREs that have established relationships with local suppliers of construction services or which themselves have construction capability. Additionally, they help to expedite the completion of our projects by providing us with know-how and assisting with regulatory processes, such as obtaining permits and authorisations.

Our project development process involves the following steps:



Project assessment

The first phase of any proposed project is the project assessment stage. This stage focuses on the initial, informal master planning of the proposed development, which involves the generation of ideas regarding the composition of the development (i.e., layout, buildings, amenities, design, etc.) and a preliminary assessment of its feasibility. Before acquiring any land and undertaking any project, we consider five key criteria to assess its feasibility: (i) whether the projected investment rate of return exceeds our prescribed minimum levels;

(ii) whether the upfront capital investment will be low; (iii) whether appropriate zoning approvals are attainable and the proposed project will have a positive impact on the general development within the project region; (iv) whether good legal title can be obtained; and (v) whether the project will cater to prospective customers' tastes for a modern, high-end lifestyle. This initial phase is also informed by market intelligence from our sales and marketing team, which provides valuable insight into current trends in customer demand for different types of residential units, features, layouts and community amenities.

If these criteria are met, a dedicated team comprising employees from the legal, finance, business development and project departments is established to review the proposed project opportunity and conduct early stage due diligence. During the process, we assess, among other things, zoning issues and the availability of current infrastructure and services, resulting in the generation of a preliminary feasibility report.

The preliminary feasibility report sets out the project development phases, provides a high-level analysis of the financial parameters of the project and an overview of potential legal and regulatory issues, and includes relevant market research studies. At this stage, various government and/or local parties are also approached with a basic framework of the proposed project. Where a partnering entity is identified, due diligence of its business is also undertaken. The preliminary due diligence report is then submitted to our senior management team, including the Executive Chairman, CEO, CFO and the CEO—Development and Projects, as appropriate, for their review and approval. As a threshold matter, partnering entities must have solid market reputations and strong financials. Once the project is approved by our senior management team, it is presented to the Investment Committee and, if approved, to the Board for its approval to undertake a detailed feasibility study.

Upon approval from the Board, a Memorandum of Understanding ("MOU") with an expression of interest is signed with relevant counterparties, confirming interest in the project and our exclusive development rights. External consultants are then appointed to carry out a detailed feasibility study. Investment Committee and Board approvals are obtained in order to proceed with development based on the outcome of the detailed feasibility study, including approval of, where applicable, the terms and conditions of any proposed joint venture agreement.

Master planning

Master planning starts after the granting or acquisition of land, whether directly, through a joint venture agreement or development agreement. This stage of the process is designed to ensure that a project will reflect the Emaar brand and quality standards, which are monitored on an ongoing basis by quality assurance and control teams, and that it will respond to the demands and preferences of our customers, as informed by the insights of our sales and marketing team. The master plan requires approval from our Chairman and a design review panel. We organise the master planning of our projects through a team of experienced in-house professionals as well as external design consultants.

At the design phase, more detailed project and design feasibility studies are conducted for various development options, and third-party consultants are engaged to design the project. Consultation with all relevant parties, including supervisory bodies, designers, architects, road and traffic authorities and utility providers are carried out to establish the infrastructure requirements for the project. Based on this work, a detailed master plan for the development is prepared, which also includes its sales and marketing strategy. The master plan sets out, among other things, the type, density, built-up area and timeline for completion of a project.

Once the master plan is agreed, we may sell certain portions of the project and also act as developer or sub-contract the development of land retained (such development in all cases being undertaken in accordance with the applicable master plan).

Plot level design and tender process

Following approval of the master plan, we commence the schematic and tender process stage, when a bill of quantities ("BOQ") is undertaken which defines the overall scope of work, lists the materials required and details the nature and scope of activities to be carried out to execute the project. It also includes details of the budget estimates for the proposed project. The BOQ is then typically submitted to the CEO for approval.

Tenders or invitations to submit proposals for each development phase are then issued to potential contractors, who are chosen based on their track record, their ability to complete the project and their relevant experience. Submitted bids are evaluated, with particular attention paid to the skill set and expertise (e.g., in design, cost consulting or construction) that we require for the proposed project and the pricing proposal.

We are able to attract premium contractors at competitive prices as we award contracts earlier in the development process than our competitors and are a partner of choice, given our sizable project portfolio and pipeline. We engage contractors and, from time to time, sub-contractors, ensuring quality control and reducing operational risk. We have also recently implemented a tender management process focusing on key inputs such as steel, which allows us to leverage our scale and optimise our arrangements with contractors and suppliers across our project portfolio.

A tender report detailing the results of the process is prepared and submitted to the tender committee. The tender committee is comprised of members of our management team and evaluates the tenders and recommends, where appropriate, approval for the award of contracts. Where, in the case of particularly large scale or complex projects, the proposed terms exceed the delegated powers of the tender committee, the tender committee makes a recommendation to the Board or the Investment Committee and requests their approval. Once approval is received, the contract is awarded to the relevant contractor.

Procurement and award of both consultancy services and construction works are carried out in-house by our Tender and Contracts Department which ensures the consistency, transparency and integrity of our tender processes and procedures are maintained. Strict guidelines are followed and all tendering parties must first sign a Secrecy Undertaking prior to receiving project information and tender documents. Tenders are closely controlled and all participating parties are afforded the same opportunity to provide compliant bids. A clear audit trail is developed from project conception through to the award of the relevant contract. All necessary management approvals are sought where relevant during the tender process.

The rigour of our design and tender process provides us with a high degree of certainty with respect to development and BOQ costs. This, in turn, allows us to launch our developments for off-plan sales very early in the process, sometimes in as little as four to six weeks following approval. Early launches create the opportunity for further market and customer feedback through which the plans for our projects can be further refined. While certain aspects of our projects are relatively fixed, such as GFA and elements that affect regulatory approvals, such as traffic impact assessments, we maintain a high degree of flexibility to respond to customer demand for particular types of residential units, property features and amenities. Our sales and marketing teams provide continuous feedback on customer preferences that allow our design and construction teams to adjust and respond in order to enhance our product offering. Our substantial development experience, including our extensive design archives, supports our ability to respond quickly to this feedback and implement adjustments to our project designs where necessary.

Marketing and sales

The marketing and sales plan for each project is developed at the master plan stage, and includes the launch plan and a marketing strategy informed by key insights from the sales and development teams. These insights incorporate a pricing proposal which covers the different types of residential units included in each development, their locations within the development and individual features, as well as an affordability analysis, which combines target market research, rental yields, mortgage rates and target margins, among other things. Our marketing plans include a mix of communication channels, with a strategic focus on digital and social media and other web-based platforms, in addition to ongoing branding and promotional events to foster sustained engagement with target customers.

Our marketing strategy has four key pillars: (i) strengthening awareness of our brand locally and internationally through sustained brand visibility initiatives and a robust digital presence, (ii) educating new and existing markets about our projects, (iii) developing integrated corporate campaigns across all Emaar entities and (iv) driving customer engagement through dedicated destination campaigns highlighting key attributes of our projects. We undertake focused marketing initiatives in our core markets. Our core markets are the UAE, KSA, India and Pakistan. We also target fast-growing emerging markets elsewhere in the MENA region, as well as Russia and China. Our marketing strategy combines impact campaigns, including engaging launch events, insight driven online and social media marketing and a best-in-class sales experience. In addition to the communication initiatives supporting our advertising, branding and promotional events for our projects, we also have dedicated display model villas and apartment interior mock-ups, which give potential customers the opportunity to experience elements of our projects first-hand, including details of the amenities that will be offered through the associated integrated lifestyle master plan communities.

We engage external public relations agencies to support more extensive communications for specific project launches such as press releases in regional publications and via our website. We undertake an approach of "perfect launches", which refers to launches when all infrastructure requirements for the development are finalised or nearly finalised and where all the details of the master plan, including the services and amenities which will be available for the project, have been identified. On the launch date, prospective customers are served either on a first-come-first-served basis or based on pre-registration.

We have a highly effective sales force which helps to convert leads into sales. As at 30 September 2017, we employed a team of 45 sales professionals, including 21 dedicated marketing professionals in ten focused marketing subdivisions, such as digital marketing, property marketing, experimental marketing and creative services.

The bulk of our sales are driven by third-party agencies. As at 30 September 2017, we contracted with approximately 1,070 third-party agencies, of which approximately 880 were located in the UAE and approximately 190 were located internationally. 825 of these agencies were added between 2015 and 2017. In the nine months ended 30 September 2017, approximately 80 per cent. of our sales were made through third-party agencies; however, no single sales agency or group of affiliated agencies represented more than five per cent. of our total sales. We intend to continue to grow our relationships with new and existing agencies in order to expand the reach of our sales and marketing capabilities and, in particular, are aiming to double the number of agents we work with in the medium term. Our relationship with these third-party agencies is non-exclusive and on a commission basis. In addition to sales agencies, our properties are also sold through international property fairs, dedicated marketing roadshows to premium destinations (for example, a 1,200 square foot sales suite with virtual reality and other sales attractions at Harrod's in London), as well as through referrals and direct enquiries. Feedback gathered through these sales and marketing initiatives is regularly shared with the design and development teams to inform any adjustments to the master plan needed to optimise sales and meet customer requirements.

We begin selling our projects off-plan. Initial units may be sold at lower prices to create demand inflow, and sales prices increase periodically throughout the development process with higher specification or priced units being sold as the integrated lifestyle master plan community matures. Our sales are phased such that typically over 70 per cent. of residential units are sold within one year, and 94 per cent. are sold within two years, though this varies by development.

Upon buying a residential unit, the customer contractually agrees to pay us the purchase price in instalments on a pre-agreed payment schedule. We commence main construction works once pre-sell a sufficient portion of the residential units in a development (typically around 70 per cent.) and we receive a sufficient portion of deposits (typically between 30 and 40 per cent. of the total sales value of the residential units sold), and we use the cash collected to cover construction costs. Subsequent purchase price instalments as set out in the sales contract are used to fund further construction of the project. At the time of sale, contracts detailing, among other things, payment schedules (including relevant construction milestones), apartment or villa plans and agreed designs are executed and a deposit of 5-10 per cent. of the total purchase price is collected. Thereafter, customers are required to make progressive payments on pre-determined dates or upon the completion of pre-determined stages of construction and a final payment once construction is completed. This business model allows projects to remain cash positive throughout the entirety of the construction cycle. Payment plans and schedules vary by development and type of residential unit. Higher value residential units typically have lower deposit thresholds, which can impact the timing of revenue recognition with respect to these residential units.

If a customer defaults on such progressive or final payments, as applicable, local laws and regulations will determine the procedures and remedies available to us. For example, Dubai law provides that the relevant customer would be required to pay a percentage of the value of the contract for sale, adjusted according to the stage of the relevant project's development (and, in the case of failure to make the final payment, the full value of the relevant contract). If the customer is unable to pay the required amount, the developer may be entitled to sell the property at auction to obtain the outstanding sum due. Default rates (which we define to mean customers who are more than 90 days past due in respect of their project milestone payments) are low, averaging approximately 1.6 per cent. during the period under review.

Construction of infrastructure

Infrastructure works are commenced before any buildings are constructed and run in parallel to main works construction for the duration of the development. Construction of infrastructure includes undertaking earth work, liaising with the relevant utility providers, building utility networks (such as district cooling stations, laying relevant pipelines for water and sewerage, and establishing the electrical and telecommunications networks) and building roads. Typically, the infrastructure is developed in accordance with the development's requirements and, accordingly, infrastructure plans can be amended based on actual sales patterns. In certain developments, where infrastructure is key to generate demand or premiums (for instance, the construction of a marina), certain infrastructure work may be fast tracked. We are responsible for managing the development of infrastructure for all of our projects, as well as for the funding of this stage of construction, subject to the terms of the relevant agreements with Emaar Properties and our joint venture partners. For further detail, please see *"Related Party Transactions and Material Contracts"*.

Construction of projects

Before tenders are awarded, a minimum threshold is normally set for pre-sales of residential units in a particular project. This is typically around 70 per cent. of residential units in the project, with between 30 and 40 per cent. of the associated sales value collected. As this covers the majority of construction costs, it ensures that the project is substantially self-funded through customer payments. However, if the pre-sales threshold is not met, we have discretion to proceed to award tenders without the relevant customer contributions. Once the pre-sales stage is concluded and tenders have been awarded, construction commences. Any variance to the budget, timeline and scope of work is reported by a project control group comprised of senior executives to the CEO. The group meets with the CEO on a regular basis to ensure satisfactory development and progress of all aspects of the project. The CEO is responsible for achieving desired project objectives, including the deliveries, customer satisfaction and financial results from the projects.

We award tenders to main contractors, which, in turn, may also employ specialist subcontractors after consulting with us. In addition to the oversight of overall construction, the main contractor is typically responsible for site works, concrete works, masonry and partitions, metal works, thermal and moisture protection, signage, parking accessories and building maintenance units. These works account for approximately 40 per cent. of the total costs of construction on a typical project. The specialist subcontractors are typically responsible for major professional services items including MEP (mechanical, electrical and plumbing) works, wood works and joinery, facade works such as aluminium and glazing, fit-out and FF&E (furnishings, furniture and equipment), and external works such as hard and soft landscaping. These works account for approximately 50 per cent. of total construction costs on a typical project. The main contractor is also responsible for monitoring prime cost items, which include finishes (tiles, stone, thresholds, countertops), doors and related ironmongery, sanitary ware, light fitting and facade fitting, home appliances, shower enclosures, and partitions and mirrors. These works account for approximately 10 per cent. of total construction costs on a typical project.

We focus on efficiency and cost management at all stages of our procurement and construction processes. Costs are known at the outset of a project and allocated at the same rate per square foot across all units in a given project. Gross profit margins begin at approximately 25 per cent. and typically average 40 per cent. over the life cycle of a given master planned community. We have well developed systems in place to maintain our target gross profit margins and enhance our operational and financial performance through the management of construction costs and the performance of our contractors. We manage the performance of our contractors through a pre-qualification process that comprises both technical and financial elements. We place limits on variation orders and changes from our original approved designs, and construction progress and quality is monitored by third-party supervision consultants, including through structural design peer review.

Project contracts are primarily lump-sum and awarded at a fixed price, and we generally require a performance bond equal to 5 to 10 per cent. of the contract sum at the time the contract is awarded. Our standard form contracts allow us to trigger early termination clauses in the case of non-performing contractors. Our structural designs are reviewed by third-party consultants to ensure design efficiency, and we carry out extensive value engineering on major project elements, such as MEP, facade, joinery, etc. which are carried out as nominated provisional sum packages. This allows us to maintain control over the selection of sub-contractors to achieve our desired quality and cost. In addition, to benefit from economies of scale, we use term contract agreements for special materials like ceramic tiles and sanitary ware for our pipeline of projects.

We rely on leading regional and local contractors in the execution of our projects. We also rely on international construction services companies, consultants and project managers. In the past, we have contracted with BESIX (including on the Burj Khalifa), Balfour Beatty LLC (including on Dubai Marina and the Dubai Mall), ALEC (including on Dubai Hills Estate) and Shapoorji Pallonji (including on Vida Dubai Creek). Design and cost consultants we have employed include Arcadis, RTKL, CH2M and Benoy.

Facility Management

Our communities are managed by ECM, a company currently 100 per cent. owned by Emaar Properties. ECM is an award-winning division of the Emaar Group that specializes in delivering a full suite of management services. It provides community development and management, operations, customer service, owners' associations and advocacy groups, community engagement and events and promotes educational and sustainability initiatives. ECM manages all of Emaar's master planned lifestyle communities. The ECM team consists of experienced professionals with international certifications, including Certified Manager of Community Associations, Association Management Specialist and Professional Community Association Manager.

Project Structure

Each of our projects is made up of a number of developments. Construction of the BTS assets in these developments is funded by our working capital, which is comprised primarily of the proceeds from presales of residential units, but also includes bank financing and development fees received from Emaar Properties and our joint venture partners. Construction of the BTL and BTO assets in each development is funded by Emaar Properties through a number of back-to-back arrangements with us. We also receive a development fee from Emaar Properties to manage the development of these assets. For further detail on these arrangements, please see "*Related Party Transactions and Material Contracts*".

Wholly-owned projects under development

The developments in our projects contain BTS, BTL and BTO assets. In our wholly-owned projects under development, we hold the full title to non-mixed use BTS assets (typically residential units) and we are responsible for funding the development of these assets. Title will transfer to purchasers of the relevant assets upon completion of the project.

For mixed-use developments where less than 5 per cent. is comprised of BTL/BTO assets, we currently hold full title to the assets, but Emaar Properties is responsible for funding the development of the BTL/BTO portions through back-to-back arrangements with us. When the development is complete, title to the BTL/BTO assets will be transferred to Emaar Properties or its subsidiaries.

For mixed use developments where more than 5 per cent. is comprised of BTL/BTO assets, we hold title jointly with Emaar Properties, in proportion to the distribution of BTS and BTL/BTO assets. As development progresses, all units in the relevant development will be jointly owned in the same proportion. This arrangement is governed by a Master Transfer Agreement that provides for the partitioning of the BTL/BTO and unsold BTS assets on completion of the development, including any necessary adjustments to the original proportions to account for changes in the master plan during the course of construction. For further detail on these arrangements, please see "*Related Party Transactions and Material Contracts*".

Joint venture projects

In our joint venture projects, we are responsible for funding the development of the BTS assets. We are also responsible for the development of the BTL/BTO assets on behalf of Emaar Properties, for which we will be paid a development fee in the future. These fees are not reflected in our Financial Statements for the historical periods under review. For further detail on these arrangements, please see "*Related Party Transactions and Material Contracts*".

Land bank and plots under control

With respect to our land bank projects, we hold full title to the BTS portion of Al Marjan (Ras al Khaimah). With respect to Dubai Harbour, one of the fifteen plots in the project has been transferred to us, with the remaining plots to be transferred to us in accordance with the development plan and instalment payments made by us. We will have access to the plots to sell and carry out construction works ahead of the title transfers. There is one plot in Dubai Harbour that has a mix of BTS and BTL/BTO which will be held jointly with Emaar Properties in proportion to the mix of use. We are responsible for funding the development of the BTS assets and associated land and have entered into a development agreement with Emaar Properties pursuant to which it will fund the development of the BTL/BTO assets. Upon completion of the developments, the BTL/BTO assets and associated land will be transferred back to Emaar Properties or its subsidiaries at cost. For further detail on these arrangements, please see "*Related Party Transactions and Material Contracts*".

Customers

Our customer base is diverse. In the nine months ended 30 September 2017, 37 per cent. of our customers were non-UAE residents, representing 36 per cent. of our sales during that period, compared with 27 per cent. of our customers, representing 28 per cent. of our sales in the year ended 31 December 2014. The table below sets forth the nationality of our customers as a percentage of our total sales in the nine months ended 30 September 2017.

Nationality	Share of total sales
MENA excluding GCC	17%
India	14%
UAE	13%
KSA	12%
Europe	7%
Other GCC	7%
Pakistan	5%
North America	5%
United Kingdom	5%
China	3%
Others[1]	10%

Note:

(1) Others includes 53 nationalities across APAC, Africa, Russia and CIS, Latin America and the Carribean.

The table below sets forth the share of total sales to customers from our core and high potential markets.

	Share of sales as at 30 September 2017	2015-16 growth
Core Markets		
India	14%	31%
UAE	13%	89%
KSA	12%	30%
UK	5%	40%
High Potential Markets		
China	3%	206%
Russia	1%	265%

We also benefit from a stable repeat customer base and a growing number of new customers. The table below sets out certain information related to our new and repeat customers.

	Year ended 31 December			Nine months ended 30 September
	2014	2015	2016	2017
New customers	**2,601**	**1,696**	**2,909**	**3,777**
New customers (share of total sales)	49%	54%	56%	56%
Repeat customers[1]	**1,203**	**666**	**977**	**1,067**
Repeat customers (share of total sales)	51%	46%	44%	44%
Total customers	**3,804**	**2,362**	**3,886**	**4,844**
Units purchased by repeat customers	2,077	1,314	2,040	2,849
Average number of units purchased by repeat customers	1.7	2.0	2.1	2.7

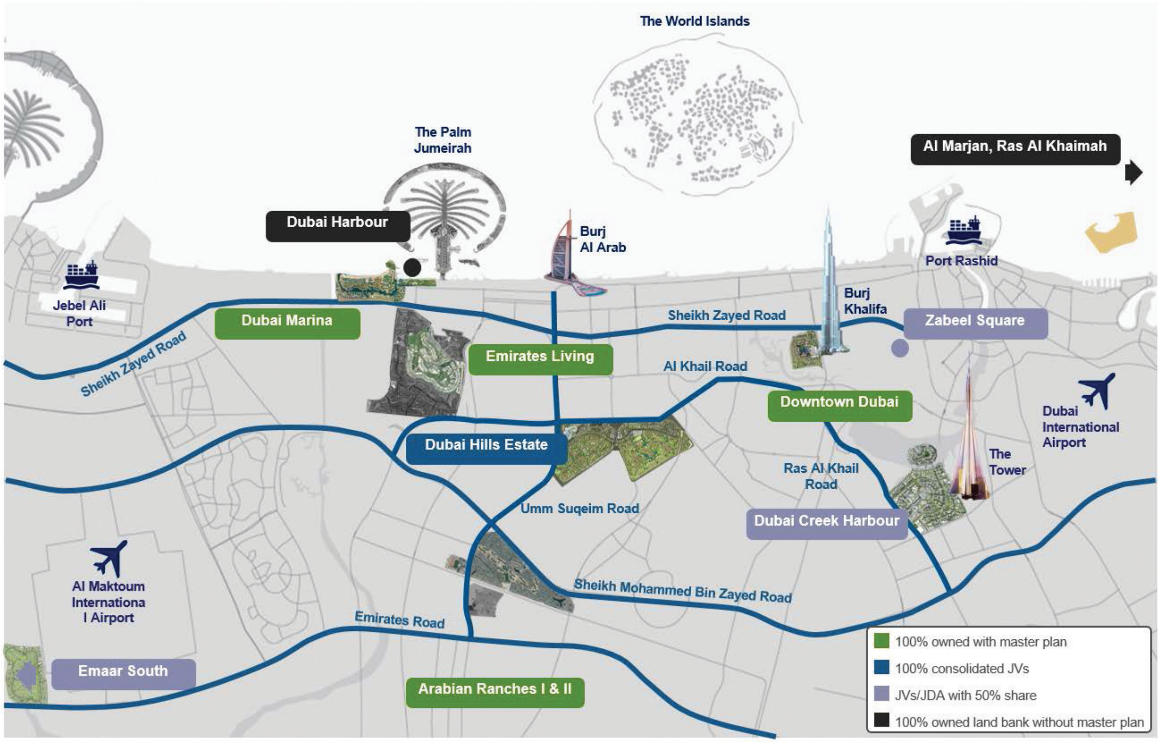
Note:

(1) Repeat customers are customers who previously purchased a residential unit in the given or any prior period.

We maintain ongoing relationships with our customers through our loyalty programmes, which incentivise repeat purchases with benefits such as eligibility for land registration fee waivers, two years' free of service charges on property purchases, discounts in Emaar hospitality and entertainment venues, as well as free valet parking at the Dubai Mall.

Projects

Our assets comprise wholly-owned projects under development, projects undertaken with joint venture partners and our land bank. The map below shows the location of each of our projects in Dubai.



As at 30 September 2017 we had a GAV of AED35.6 billion (including 100 per cent. of our joint ventures), according to the Valuation Report. The table below sets out our GAV by project.

	As at 30 September 2017			
	GAV(1) (AED bn)	% of GAV	Share of GAV (AED bn)	% Share of GAV
Wholly-owned projects				
Downtown Dubai	12.1	34.1	12.1	47.7
Emirates Living	0.6	1.6	0.6	2.3
Dubai Marina	0.6	1.8	0.6	2.6
Arabian Ranches	1.7	4.8	1.7	6.8
Al Marjan (Ras al Khaimah)	0.2	0.5	0.2	0.7
Joint Ventures				
Dubai Hills Estate	11.0	31.0	5.5	21.7
Zabeel Square	0.5	1.3	0.2	0.9
Emaar South	0.5	1.4	0.2	1.0
Joint Development Agreement				
Dubai Creek Harbour	8.3	23.4	4.2	16.4
Total	35.6		25.4	

Note:

(1) Includes 100 per cent. of joint ventures.

Wholly-owned projects under development

Details of our wholly-owned projects under development, Downtown Dubai, Emirates Living, Dubai Marina and Arabian Ranches, as at 30 September 2017, are described below.

Project	Units	Development value[1] (AED)	Area (Sq ft)	Launch period	Expected completion date	% units sold	% Value Sold	% Collected[2]	% Completion[3]	% Gross margin[4]
Downtown Dubai[5]	8,714	32,129,546,978	11,797,335			85%	81%			42%
Fountain Views	289	1,061,453,716	390,196	Jan-13	Mar-18	99%	99%	82%	80%	27%
Fountain Views 2	289	1,101,436,520	392,485	Feb-13	Apr-18	99%	99%	81%	76%	30%
Fountain Views 3	208	1,142,159,704	356,367	Sep-13	Apr-18	98%	97%	78%	72%	33%
The Address Sky View	551	2,884,408,866	984,654	2013-2014	2018	96%	94%	67%	60%	30%
Burj Vista	666	1,924,238,606	867,737	Apr-13	Feb-18	99%	97%	82%	79%	48%
Blvd Crescent	339	1,097,549,032	469,893	Mar-14/Oct-15	Jul-18	85%	80%	43%	38%	51%
Blvd Heights	550	1,769,500,756	773,089	Sep-14/Mar-16	Jun-18	78%	73%	43%	20%	50%
Vida Downtown	328	1,325,264,376	468,475	Jan-14	May-18	94%	92%	46%	27%	43%
Boulevard Point	377	1,240,653,654	540,394	Jan-14	Oct-18	100%	100%	47%	33%	22%
Opera Grand Residential Tower	288	2,051,907,577	507,466	May-14	Jan-19	85%	86%	51%	29%	59%
The Downtown Views	478	1,230,953,464	573,081	Apr-15	Mar-19	97%	97%	45%	6%	46%
FORTE	817	2,413,719,402	970,347	Apr-Sep-15	Dec-19	82%	77%	34%	9%	41%
Address Opera	809	3,833,176,392	1,093,771	Dec-15/Mar-16	Jul-20	95%	82%	24%	5%	53%
IL PRIMO	119	2,729,078,672	719,335	Jun-16	Sep-20	39%	36%	14%	5%	46%
Act One Act Two	630	1,660,668,440	656,678	Aug-16	Nov-20	61%	57%	22%	3%	38%
Downtown Views 2	1,355	3,037,561,240	1,425,583	Jan-Apr-17	Dec-20	81%	75%	12%	1%	31%
Vida Dubai Mall T1	620	1,625,816,561	607,784	May-Jul-17	Oct-21	80%	99%	5%	3%	49%
Emirates Living	562	1,309,890,339	772,899			99%	99%			31%
The Hills-Residence	426	892,755,571	572,220	Jun-13	Dec-17	100%	100%	79%	74%	33%
Vida Residence—The Hills	136	417,134,768	200,679	Dec-13	Feb-18	97%	97%	76%	67%	28%
Dubai Marina[6]	838	1,921,433,144	933,771			95%	93%			38%
52-42	483	1,084,837,904	515,866	Apr-16	Sep-20	96%	95%	34%	12%	39%
Vida Hotel & Serv Apts[6]	355	836,595,240	417,905	Mar-17	Dec-20	94%	91%	14%	5%	36%
Arabian Ranches	55	396,887,658	310,507			33%	31%			64%
Aseel	55	396,887,658	310,507	Jun-14	Feb-18	33%	31%	58%	79%	64%
Arabian Ranches II	1,102	4,625,477,576	3,146,391			83%	82%			48%
ROSA	144	787,498,872	543,599	Nov-13	Jul-17	94%	94%	90%	100%	45%
LILA	219	871,939,472	573,553	Jan-14	Jul-17	92%	91%	87%	100%	50%
RASHA	140	762,192,320	523,899	Feb-14	Oct-17	89%	87%	79%	100%	46%
YASMIN	98	553,866,024	375,066	Feb-14	Oct-17	86%	83%	80%	100%	46%
Samara	177	730,149,176	467,319	Apr-14	Oct-17	71%	66%	74%	90%	54%
AZALEA	108	414,414,904	264,151	Feb-15	Nov-18	62%	61%	31%	35%	48%
Reem Community	216	505,214,808	398,804	Dec-16	Dec-19	85%	84%	14%	0%	46%
Total	11,271	40,383,235,695	16,960,903			86%	82%			42%

Notes:

(1) Includes all residential units, both sold and unsold.

(2) Percentage of sales price collected for residential units sold.

(3) Percentage of construction completed.

(4) Gross margin on revenue that had been recognised as at 30 September 2017; not necessarily indicative of the gross margins that will be achieved at project completion.

(5) Excludes 532 units in our Address Boulevard development which have been completed, but were treated in the Valuation Report as under construction due to costs that had not been recognised as at 30 September 2017 and approximately 300 units under design which were included in the Valuation Report.

(6) Excludes three units which were treated in the Valuation Report as surplus units.

The following discussion summarises the principal features of each of our wholly-owned development projects.

Downtown Dubai

Downtown Dubai is our flagship project and is situated in central Dubai off the main highway (Sheikh Zayed Road) between Business Bay and the DIFC. It is a mixed-use 500-acre community that combines commercial, residential, hotel, entertainment, shopping and leisure developments. The complex includes the world's tallest structure, the Burj Khalifa, the Dubai Mall (one of the world's largest shopping malls and the world's most visited mall), the Dubai Opera House (which is Dubai's first dedicated multi-format opera house), Souq Al Bahar (a residential and retail destination), eight luxury hotels with over 2,000 rooms (including serviced apartments), 4.5 million square feet of gross office space, 4.4 million square feet of leasable retail space, numerous residential towers, Sheikh Mohammed bin Rashid Boulevard and a 3.5 km leisure and entertainment strip. Two additional luxury five-star hotels, The Address Sky Views and The Address Fountain Views, are under construction. The centrepiece of the Downtown Dubai Development is the Burj Khalifa. The Burj Khalifa is the world's tallest structure (at 2,720 feet), has the largest number of storeys of any building in the world (with more than 160) and has approximately 3.9 million square feet of residential and commercial space, including the first Armani Hotel. As at 30 September 2017, 19,495 units and more than 93 per cent. of the total residential units have been sold. Construction on the Downtown Dubai Development began in 2004 and, subject to market conditions, is expected to be fully completed in 2022. To date, significant milestones, including the opening of the Burj Khalifa, the Dubai Mall and various hotels and residential areas, have been achieved. As at 30 September 2017, Downtown Dubai had a development value (the anticipated total sales value of units under construction) of AED32.1 billion, a sales backlog of AED18.9 billion and an average price per square foot of AED2,723. The average gross margin on all residential units sold up to 30 September 2017 was 42 per cent.

Emirates Living

The Emirates Living development is based on the Emirates Hills master planned lifestyle community, which we began constructing in 1999 and is expected to be fully completed by 2021. This project has expanded from its original design and now includes seven related communities: Emirates Hills, the Greens, the Views, the Lakes, the Meadows, the Springs and the Hills. The Emirates Living development includes four international schools, a four-star hotel, VIDA the Hills, the Montgomerie golf course and a complex of four commercial buildings known as "Emaar Business Park".

The Hills district in the Emirates Living development was launched in 2013 and is a mixed-use development. It comprises 426 one- to five-bedroom residential apartments, 136 VIDA Residence serviced apartments and a four-star VIDA brand hotel with 157 hotel keys. Construction commenced in December 2013 and is expected to be completed in 2018. As at 30 September 2017, approximately 99 per cent. of the residential units in the development had been sold. As at 30 September 2017, the Hills had a development value of AED1.3 billion, a sales backlog of AED371 million and an average price per square foot of AED1,695. The average gross margin on all residential units sold up to 30 September 2017 was 31 per cent.

Dubai Marina

Dubai Marina is one of the largest waterfront developments of its kind in the GCC region, with 8.5 km of marine frontage. It is divided into 10 districts, each developed as a distinct community. The mixed-use project (including those plots developed by us and those sold by us to third parties for development) has a total development area of 66 million square feet, approximately 25 million square feet of which comprises a master planned waterfront development. We have developed 30 towers, with the remaining towers having been developed by others on serviced plots sold to those developers by us.

Our development at Dubai Marina includes 4,981 residential apartments, one five-star hotel with 244 rooms, 450 serviced apartments, 1 million square feet of office space and 650,000 square feet of leasable retail space in the 1.9 million square foot Dubai Marina Mall complex. As at 30 September 2017, Dubai Marina had a development value of AED1.9 billion, a sales backlog of AED1.8 billion and an average price per square foot of AED2,058. The average gross margin on all residential units sold up to 30 September 2017 was 38 per cent.

Arabian Ranches

Arabian Ranches I is an approximately 71 million square feet master planned lifestyle community. Arabian Ranches I has 4,360 residential units made up of one and two storey single family homes ranging from 1,229 to 13,495 square feet in size. The community includes a golf course, a village community centre with 20 retail outlets providing a total of 110,039 square feet of retail space and a school. In addition, Arabian Ranches I includes the Dubai Polo and Equestrian Club which itself has 71 villas known as "Polo Homes". Arabian Ranches I also includes 18 golf course villas which were launched for sale in March 2012. As at 30 September 2017, 99 per cent. of the residential units in the development had been sold.

Following the successful launch of Arabian Ranches I, the development of Arabian Ranches II, adjacent to Arabian Ranches I, began in September 2012. It comprises 1,824 residential units made up of three- to six-bedroom independent villas ranging from 1,679 to 4,948 square feet in size, divided into 11 distinct communities. As at 30 September 2017, approximately 87 per cent. of the residential units launched had been sold. As at 30 September 2017, Arabian Ranches II had a development value of AED4.6 billion, a sales backlog of AED765 million and an average price per square foot of AED1,470. The average gross margin on all residential units sold up to 30 September 2017 was 49 per cent.

Joint venture projects and joint development project

We undertake certain of our projects through joint venture arrangements. We partner with leading GREs that can provide access to premier land and complementary development expertise. For further detail on our joint venture arrangements, please see "*Related Party Transactions and Material Contracts*".

Details of our current joint venture projects, Dubai Hills Estate and Emaar South and joint development project, Dubai Creek Harbour, as at 30 September 2017, are set out in the table below.

Project	Units	Development value[1] (AED)	Area (Sq ft)	Launch period	Expected completion date	% units sold	% Value Sold	% Collected[2]	% Completion[3]	% Gross margin[4]
Dubai Hills Estates[5]	6,123	18,127,554,589	11,668,574			79%	85%			46%
Views and Grove	56	2,051,022,148	1,122,220	Dec-13	Oct-16/Oct-17	96%	96%	74%	99%	66%
Mulberry Park Heights	664	1,247,861,632	856,154	Mar-14	Sep-18	88%	86%	58%	35%	29%
Acacia Park Heights	537	1,045,688,812	677,047	Feb-15	Jan-19	83%	80%	32%	22%	32%
MAPLE	646	1,745,009,821	1,215,738	Apr-15	May-19	93%	93%	45%	28%	48%
MAPLE 2	666	1,732,405,408	1,229,258	Oct-15	Sep-19	97%	97%	38%	27%	47%
SIDRA	475	2,006,445,800	1,291,737	Feb-16	Mar-19	100%	100%	29%	22%	44%
Fairway Vista	65	985,366,720	502,931	May-16	Jun-19	100%	100%	26%	8.8%	57%
Parkway Vistas	47	696,227,736	459,370	Aug-16	Jun-19	100%	100%	25%	0.1%	58%
Park Point	332	476,004,816	329,020	Oct-16	Feb-19	52%	44%	23%	22%	35%
SIDRA 2	422	1,735,245,551	1,127,673	Oct-16	Oct-19	99%	99%	20%	0.65%	44%
Park Heights I	270	313,122,760	216,135	Apr-17	Mar-20	89%	84%	12%	1.0%	31%
Park Heights II	550	638,682,400	439,949	May-17	Mar-20	85%	80%	12%	0.4%	40%
Maple 3	562	1,446,576,056	1,029,810	May-17	Dec-19	54%	51%	10%	0.5%	46%
Park Ridge[5]	492	663,223,896	422,330	Sep-17	Jun-20	13%	6%	9%	0.0%	39%
DE Sidra 3	339	1,344,671,033	881,928	Jul-17	Nove-20	73%	75%	7%	0.0%	42%
Dubai Creek Harbour[6]	5,201	10,722,394,199	5,849,943			70%	64%			27%
Dubai Creek Residences	872	2,233,739,047	1,302,168	Nov-14/Jan-15	2018	92%	89%	41%	54%	26%
Harbour Views & Creekside 18	1,186	2,221,424,168	1,286,448	Sep-15/Mar-16	2019	87%	79%	30%	14%	25%
Creek Horizon	509	961,071,992	555,117	Aug-16	2020	66%	56%	15%	5%	29%
The Cove	50	131,234,400	65,105	Nov-16	2020	100%	100%	24%	3%	32%
Creek Gate	368	642,026,784	370,668	Jan-17	2020	89%	85%	9%	5%	31%
Harbour Gate	491	870,606,008	504,216	Feb-17	2020	69%	57%	8%	5%	31%
The Cove Building 2	89	198,727,032	106,523	Mar-17	2020	71%	60%	14%	3%	32%
Creek Rise	496	858,103,448	496,964	May-17	2020	41%	37%	5%	2%	31%
The Cove Building 1	137	349,430,656	168,019	Sep-17	2020	29%	27%	5%	3%	32%
17 Icon Bay	316	535,186,608	310,192	Aug-17	2021	47%	41%	4%	1%	25%
Address Harbour Point	687	1,720,844,056	684,523	Sep-17	2021	43%	39%	9%	2%	26%
Emaar South	1,415	1,862,179,520	1,811,668			59%	51%			32%
URBANA I, II, III	932	990,335,616	1,065,804	Sep-16/Apr-17	2019	63%	62%	24%	3%	32%
Golf Views	288	297,912,744	253,035	Feb-17	2019	66%	59%	20%	1%	16%
Golf Links	195	573,931,160	492,829	Jul-17	2020	28%	26%	10%	1%	42%
Total	12,739	30,712,128,308	19,330,185			80%	79%			41%

Notes:

(1) Includes all residential units, both sold and unsold.

(2) Percentage of sales price collected for residential units sold.

(3) Percentage of construction completed.

(4) Gross margin on revenue that had been recognised as at 30 September 2017; not necessarily indicative of the gross margins that will be achieved at project completion.

(5) Excludes 562 units in Park Ridge, which were included in the Valuation Report on the basis of the development's total units, including future phases that have yet to be launched and 26 units under design that were included in the Valuation Report.

(6) Excludes 581 units in the Cove Phase Two which were included in the Valuation Report on the basis of the development's total units, including future phases that have yet to be launched and approximately 330 units under design that were included in the Valuation Report.

The following discussion summarises the principal features of each of our joint venture projects.

Dubai Hills Estate

Dubai Hills Estate is a "city within a city" and the first phase of the Mohammed Bin Rashid City ("MBR City"), a planned mixed-use residential and commercial development within Dubai which was announced by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai in November 2012. Dubai Hills Estate is a master-planned community spread over 116 million square feet, and is located centrally by the junction of Umm Suqeim Road and Al Khail Road. The project will be a mixed-use development with a series of unique neighbourhoods set around an 18-hole championship golf course and extensive open areas of landscaped parks and gardens. Development of the BTS assets is being undertaken by Dubai Hills Estate LLC, a joint venture between us (as to 50 per cent.) and Meraas (as to 50 per cent.). As part of the joint venture agreement, Meraas contributed the land required for the development of Dubai Hills Estate (2,700 acres of land) while we are responsible for funding the development of the project. The total project value is AED70 billion, including BTO/BTL assets which are to be owned by new joint ventures in which we are not a shareholder. The master plan comprises over 30,000 residential units, 4.2 million square feet of retail space, 1.5 million square feet of office space and three hotels comprising 515,000 feet and over 680 keys. As at 30 September 2017, Dubai Hills Estate had a development value of AED18.1 billion, a sales backlog of AED12.2 billion and an average price per square foot of AED1,554. The average gross margin on all residential units sold up to 30 September 2017 was 46 per cent.

Dubai Creek Harbour

Dubai Creek Harbour is an integrated lifestyle master plan community which sits next to Ras Al Khor Wildlife Sanctuary over an area of 60 million square feet (almost three times the size of Downtown Dubai). Dubai Creek Harbour aims to support Dubai's commercial and cultural development and will feature state-of-the-art technology, integrated transportation systems, environmentally sustainable ecosystems and green, open parks. The area comprises nine distinct lifestyle districts, including commercial districts linked by leisure and tourism developments that expand into residential neighbourhoods and parks. In addition to creating a new city centre, the project will feature The Tower, a development that defines a new skyline for Dubai. The Tower will house a multi-level observation platform, restaurants and function hall space. The Tower is scheduled for completion ahead of the 2020 Dubai World Expo.

The project is being undertaken by The Lagoons Development LLC, a joint venture between us and Dubai Holding. As part of the joint development agreement, Dubai Holding provided the 1,482 acres of land, while we undertook the development of the project. The total project value is AED319 billion, including BTO/BTL assets. The master plan comprises over 65,000 residential units, 10.5 million square feet of retail space, 3 million square feet of office space and 25 hotels comprising 9 million square feet and over 5,600 keys. As at and for the nine months ended 30 September 2017, Dubai Creek Harbour had a development value of AED10.7 billion, a sales backlog of AED5.9 billion and an average price per square foot of AED1,834. The average gross margin on all residential units sold up to 30 September 2017 was 27 per cent.

Emaar South

Emaar South is our first development within Dubai World Central, strategically located between Dubai and Abu Dhabi. It will be a mixed use development spread over an area of approximately 72 million square feet. The development will include a gated community of luxury villas, townhouses, mid-rise apartments, four star business hotels, retail space, hospitality, healthcare and educational facilities, branded recreational facilities and a number of mosques. An 18-hole golf course will traverse the plot, offering golf course views for apartments and villas. The total project value is AED35 billion, including BTO/BTL assets. There will be over 23,000 residential units, 574,000 square feet of retail space, 431,000 square feet of office space and three hotels comprising 773,000 square feet and over 850 keys. As at and for the nine months ended 30 September 2017, Emaar South had a development value of AED1.9 billion, a sales backlog of AED942 million and an average price per square foot of AED1,028. The average gross margin on all residential units sold up to 30 September 2017 was 32 per cent.

Zabeel Square

Zabeel Square is a joint venture project developed by Zabeel Square LLC, a joint venture between us (as to 50 per cent.) and Meraas (as to 50 per cent.) to create a mixed-use development near Zabeel Park, Dubai. The total project value is AED4 billion, including BTO/BTL assets which are to be owned by new joint ventures in which we are not a shareholder. It will contain over 1,700 residential units, retail space and a hotel comprising over 200 keys.

Units under design

As part of our value engineering initiatives, we are sometimes able to add units to our projects during the construction process. These units are referred to as "under design" and are launched for sale in the later stages of the development process once their final design specifications have been built into the overall project. Our units under design as at 30 September 2017 are set forth in the table below.

Project	Units	Amount[(1)]	Area	Average price/sq.ft.	Launched period	Expected completion date	% Gross Margin Sep. 17
		(AED)	(Square feet)	(AED Square feet)			
Downtown Dubai	301	792,128,892	310,761	2,549			
Vida Downtown	16	67,295,752	23,789	2,829	Jan-14	May-18	43%
Boulevard Point	72	108,535,442	47,275	2,296	Jan-14	Oct-18	22%
Blvd Crescent	13	47,744,912	20,441	2,336	Mar-14/Oct-15	Jul-18	51%
Opera Grand	7	47,891,295	11,844	4,044	May-14	Jan-19	59%
FORTE	83	231,995,800	93,265	2,487	Apr-Sep-15	Dec-19	41%
Act One Act Two	110	288,665,691	114,147	2,529	Aug-16	Nov-20	38%
Dubai Hills Estates	26	238,065,358	132,726	1,904			
Mulberry I & II	12	59,466,417	38,944	1,527	Mar-14	Sep-18	29%
Parkway Vistas	14	178,598,941	93,782	1,904	Aug-16	Jun-19	58%
Dubai Creek Harbour	332	1,086,256,542	562,338	12,883			
Harbour Views & Creekside 18	76	188,411,130	109,112	1,727	Sep-15/Mar-16	2019	25%
Creek Horizon	39	91,244,400	52,703	1,731	Aug-16	2020	29%
Harbour Gate	10	44,067,624	25,522	1,727	Feb-17	2020	31%
Creek Gate	103	234,313,839	135,279	1,732	Jan-17	2020	31%
Creek Heights	28	97,872,199	56,682	1,727	May-17	2020	31%
17 Icon Bay	13	65,207,890	37,794	1,725	Aug-17	2021	25%
Address Harbour Point	63	365,139,460	145,246	2,514	Sep-17	2021	26%
Total	659	2,116,450,790	1,005,825	6,268			

Notes:

'Under design units' represent units of projects which are under development and will be available for sale once their design is approved.

(1) Total remaining monetary value of units under development based on expected sales price.

(2) Corresponds to gross margin for units sold; not necessarily indicative of the gross margins that will be achieved at project completion.

Land bank

We had, as at 30 September 2017, approximately 170 million square feet GFA in our land bank for BTS assets (213 million square foot total GFA including BTL/BTO assets). We own 14 million square feet GFA, for BTS assets directly (including Dubai Harbour, full acquisition of which is pending completion). We also had access to 156 million square feet GFA through our joint venture relationships, including 47 million square feet in Dubai Hills Estate and Zabeel Square, 29 million square feet in Emaar South and 80 million square feet in

Dubai Creek Harbour. The following table sets out the principal components of our land bank as at 30 September 2017, most of which form part of the projects described above.

	As at 30 September 2017 Remaining GFA for BTS assets (million sq. ft.)
Downtown Dubai	3.3
Arabian Ranches	0.5
Emirates Living	0.2
Ras al Khaimah	1.1
Dubai Hills Estate	44.6
Dubai Creek Harbour	79.9
Emaar South	29.1
Dubai Harbour(1)	9.8
Zabeel Square	2.0
	170.2

Notes:

(1) Not included in the Valuation Report as the transfer of titles to land plots is ongoing. See "*Appendix A: Executive Summary of Valuation Report*".

Al Marjan (Ras al Khaimah)

Al Marjan (Ras al Khaimah) is an approximately 1.3 million square foot project located at the tip of Al Marjan Island, with 1.1 million square feet GFA of BTS assets. The total project value is estimated at AED2 billion, including BTO/BTL assets. It will have 800 residential units, over 12,000 square feet of retail space and a five-star hotel with 220 keys.

Competition

We currently compete with other major Dubai-based property development companies including Nakheel, Dubai Properties Group, Deyaar Development, Meraas, Damac Properties and Union Properties. Meraas is also one of our joint venture partners. Competition principally takes the form of competing for purchasers of residential property. In addition, if we undertake other developments in Dubai, we may also need to compete for the land on which the developments are to be located.

Health and Safety

We appoint a supervision consultant to monitor the progress of construction and the implementation of local municipality and Dubai Civil Defence regulations, international health and safety guidelines such as ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and NFPA standards in each of our projects. The supervision consultant hires a health and safety officer and works with the project manager. The supervision consultant also hires a health and safety manager for the project and works with others who are appointed specifically to monitor safety compliance and each relevant construction site. These teams jointly manage and ensure site safety requirements are met by contractors and subcontractors.

For each project, we also appoint a project manager to inspect both the physical conditions on the site, such as personal protective equipment, working at heights and confined spaces, and procedural issues such as third party certification for lifting equipment, machinery, firefighting systems, first aid procedures, control measures, emergency and contingency plans and job specific training registers. Our project manager can authorise the appointed health and safety officer to issue reports, stop work and impose fines should policies not be followed. The health and safety officer also tracks and reports monthly key performance indicators on the project, such as the number of man-hours worked, workers, lost days, lost time incidents, first aid and medical treatment cases and fire accidents. In some cases, where no health and safety officer is appointed by the lead contractor, we hire an external health and safety consultant to perform this task and report directly to our project manager. We always seek to ensure compliance with all applicable health and safety guidelines and regulations.

Environment

We believe that our properties are in material compliance with all applicable environmental laws and regulations. Our environmental policy adheres to strict operating guidelines to limit the impact to the ecosystems in which we operate. We ensure that our employees, contractors, suppliers and communities are educated and made aware of the impact their activities could have on the surrounding environment. We work in line with the "green vision" of the UAE, working towards strengthening awareness of a greener lifestyle through energy and water efficiency.

Insurance

We require our contractors to provide insurance cover including workman's compensation, motor vehicles insurance, insurance for plant and contractor's equipment and, if applicable, marine insurance for goods transported to each project.

We purchase contractors all risks ("CAR") insurance for each project during the construction phase. The policy covers the contractor and relevant sub-contractors as well as the principal for the full value of the contract. CAR insurance covers loss or damage to the contract works and the liability of the contractor/principal to third parties. The policy commences from the inception date of the contract and is valid until completion of construction and delivery of the project to us. Once the project is handed over by the contractor, the CAR insurance expires. Thereafter, it forms part of our assets and is insured under our annual property insurance programme.

Our corporate insurance programme is comprehensive and robust. Managed by a dedicated in-house insurance team and in partnership with the best industry resources, our insurance team endeavour to keep the insurance programme aligned and updated, on an ongoing basis, in accordance with the latest insurance solutions available in the global insurance market.

We also have in place business interruption and loss of profit insurance in respect of our Dubai operations. In addition, we have purchased directors' and officers' liability insurance and require all of our consultants to carry professional indemnity insurance according to the best available market standards. We have also purchased a security and privacy protection insurance policy to protect against cyber security risks.

Intellectual Property

We license the use of the Emaar brand and name as well as the names of our developments from Emaar Properties. For further detail, please see *"Related Party Transactions and Material Contracts—Licence Agreement"*.

Information Technology

We seek to ensure that our information technology ("IT") systems and software meet the requirements of our business, are effectively maintained and are kept up to date. We have an online document management system which is available 24 hours a day, seven days a week. In addition, we continue to expand our current IT systems to improve operational efficiency and to enrich our customers' online experience. In the long term, we aim to integrate all operating systems operated by our businesses and centralise our enterprise resource planning system. Our in-house IT team is responsible for IT support and maintenance. The IT team has deployed systems for managing customer feedback, analyses, reports and solutions on data mobility and cloud storage, keeping pace with our current business needs and technology trends.

We have in place a disaster recovery system including back-ups which are collected daily and stored in an offsite data warehousing facility. Our document management system is also designed to allow the recovery of data in a disaster scenario, as it can be remotely accessed through the internet. Certain of our IT systems are provided by Emaar Properties pursuant to a service level agreement for IT Services. For further detail, please see *"Related Party Transactions and Material Contracts"*.

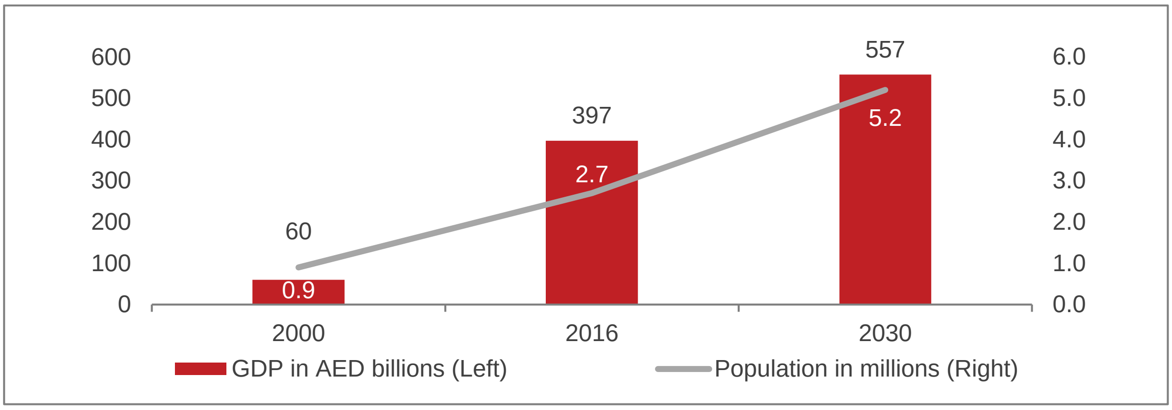
INDUSTRY OVERVIEW

Where expressly indicated, the market data, statistics and information in this section of this Prospectus have been extracted from a report produced by JLL. All other market data, statistics and opinions have been extracted from the other sources referenced or, where there is no reference, are the opinions of Emaar Development.

Macro Drivers

We are the leading developer of integrated lifestyle master plan communities in Dubai. According to JLL, as of 30 September 2017, approximately 22 per cent. of all freehold residential units in Dubai were located in our integrated lifestyle master plan communities. We have been rated "Best Real Estate Brand in the UAE" since 2014 by YouGov. Given our large presence in Dubai, we benefit from the strength and trajectory of the local economy which has experienced pronounced growth since 2000. Dubai's GDP has increased from AED60 billion in 2000 to AED397 billion in 2016 and is forecasted to increase to 557 billion by 2030. Furthermore, Dubai's population has grown from approximately 0.9 million in 2000 to 2.7 million by the end of 2016 and is forecasted to increase to approximately 5.2 million by 2030.

Dubai's population and GDP Growth



Dubai has capitalised on its convenient location and proximity to both Asia and Europe and has established itself as an international tourism, trading and business hub. One third of the world's population lives within a four-hour flight of Dubai, and two-thirds of the world's population lives within an eight-hour flight of Dubai (Source: Dubai Airports). The Emirate has successfully diversified its economy and gained international market share in tourism, retail, manufacturing and real estate. Dubai is the most diversified economy within the GCC region.

According to the Dubai Statistics Centre, around 70 per cent. of Dubai's population is male and 30 per cent is female, reflecting the large number of workers living as bachelors in Dubai. The Emirate has a high proportion of its population of working age, with 72 per cent. aged between 20 and 50 years old. Dubai's total employment is estimated to be 1.5 million at the end of 2016 and expected to grow by an average of 1.6 per cent. annually over the next three years. Based on these estimates, each job supports an average of 1.66 persons in Dubai.

Real estate investment in Dubai is governed by a set of laws and regulations designed to protect investors. The relatively transparent and open legal environment is one of the attractions of the Dubai residential market for foreign investors. Important recent legal and regulatory changes which support the strength of the real estate market include:

- Property Ownership—Law No. 7 of 2006: provides for the right of UAE and other Gulf Cooperation Council nationals to own real estate anywhere in Dubai and the right of foreign nationals to own freehold interests in real estate

- Off-Plan Sales/Escrow Law: developers must open a separate escrow account and deposit all amounts paid by the off-plan purchasers for the purpose of construction of the real estate development project

- Mortgage Laws: In October 2013, the UAE Central Bank updated its regulations allowing for UAE nationals to be eligible for mortgages up to certain LTV limits

In 2010, the UAE Government launched the UAE Vision 2021 (the "Vision"), which sets the key themes for the socio-economic development of the UAE and calls for a shift to a more diversified and knowledge-based economy. To reach these targets, the UAE Government has set a national agenda with many objectives, including: 1) to preserve a cohesive society and identity, 2) to reinforce a safe, public and fair judiciary, 3) to promote a competitive knowledge economy, 4) to develop a first-rate education system, 5) to guarantee world-class healthcare and 6) to ensure a sustainable environment and infrastructure. Its framework dictates that by 2021, the UAE will become one of the most innovative economies based on significant further investment in research and development. To further these objectives, in 2016, the Government launched the Dubai 2030 Strategy to elevate Dubai into an international hub for knowledge-based, sustainable and innovation-focused businesses. The Vision sets targets to achieve by 2030, including a GDP increase of AED 160 billion (representing an increase of 40 per cent. from the UAE GDP in 2016) and an additional 27,000 specialized jobs.

Both the UAE and Dubai initiatives are aimed at driving innovation and sustainability and making Dubai a more attractive place to live, which should have a positive impact on the real estate in the city. Continued high levels of infrastructure spending will also add value to the residential market, with more hotels, restaurants, malls and cultural centres being built within close proximity of key communities. The global interest generated by Expo 2020 is expected to have a positive impact on sentiment and business activity in the city.

Demand and Supply Drivers

Domestic Demand

Domestic demand is being driven by multiple factors, including the growth of affluent residents. Dubai's population is expected to nearly double to 5.2 million persons by 2030 (Source: Dubai Municipality). Furthermore, Dubai's GDP per capita is over U.S.$40,000 driving real estate affordability.

Data suggests that the level of end user demand (people buying homes to live in rather than to rent out) has likely increased in Dubai in recent years. One indicator of this trend is the growth in the number and value of properties purchased using mortgages (which can be seen as a proxy of demand from end users). The number of established properties purchased using mortgages has more than doubled over the past five years (from less than 3,000 in 2012, to more than 6,200 in 2016), with the percentage of established real estate transactions using mortgages increasing from 12 per cent. to 34 per cent. over this same period. This trend appears to be continuing, with 5,400 established properties transacted using mortgages as of 30 September 2017 (36 per cent. of the total).

With developers offering more affordable units on more flexible payment plans, and banks keen to increase the size of the mortgage market, the level of affordability could increase, resulting in a continued shift from rental to property ownership in the Dubai market. Demand from owner occupiers is therefore likely to increase ahead of the overall growth of the population of Dubai, which is forecast to average 3.4 per cent. growth up to 2020.

International Demand

International investor demand is founded on strong Dubai investment fundamentals: Dubai rental residential yields and mortgage rates are 6.5 per cent. and 3.2 per cent., respectively, representing a yield spread of 3.3 per cent. (Source: CBRE Residential, Deposits.org). Frictional costs are low in Dubai: transaction costs (to buy and sell) total 6.0 per cent., rental income taxes are only 5.0 per cent. and capital gain taxes are 0.0 per cent. (Source: Global Property Guide). The Dubai residential market also offers a stable political/regulatory environment, with Dubai being named the most transparent real estate market in MENA according to JLL's Global Real Estate Transparency Index. Given all of these attributes and the fact that the UAE and Dubai economies are open, foreign nationals have represented between 75 and 80 per cent. of all real estate transactions in Dubai in recent years (Source: Dubai Land Department).

Investors have traditionally been very active in the "off plan" sector of the market. The off plan sector of the market has experienced strong activity over the first nine months of 2017, with approximately 19,450 off plan properties sold (representing 67 per cent. of total sales).

Supply Drivers

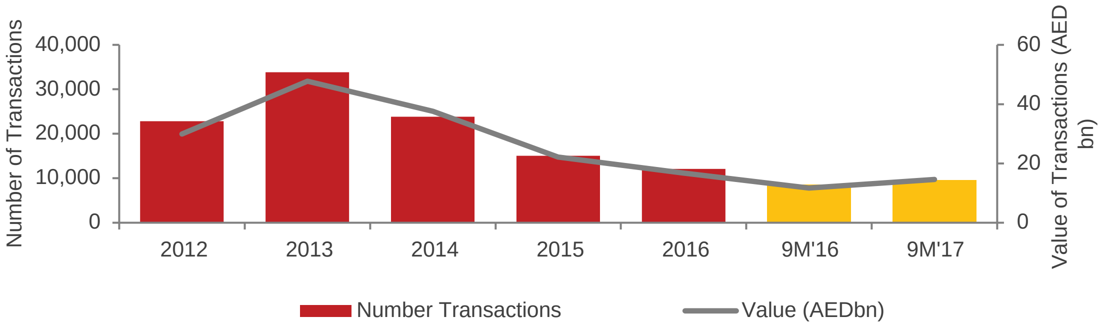
As of June 2017, there were around 482,000 residential dwellings in Dubai of which 82 per cent. are apartments and the other 18 per cent. villas and townhouses (Source: JLL). By contrast, the supply of residential dwellings was approximately 395,000 in 2010 (of which 83 per cent. were apartments and 17 per cent. were villas and townhouses), representing a 2.9 per cent. supply growth CAGR between 2010 and 2017

(Source: JLL). This growth represents approximately 13,200 incremental units annually between 2012 and 2016. Based upon historic materialisation rates, JLL estimates that approximately 49,200 dwellings will be delivered through 2020.

Market Activity

The number and value of sales transactions (excluding land) increased steadily from its low point in 2010 (when there were 18,700 sales) to almost 48,300 transactions in 2013 (Source: Dubai Land Department "DLD"). Between 2013 and 2016, the volume of sales declined from the 2013 peak, to around 29,400 transactions recorded in 2016 (Source: DLD). Through the first nine months of 2017, there was a 12 per cent. increase in the number of sales of established residential properties (9,616), compared to sales over the same period of 2016 (8,621). A similar trend can be observed in the value of transactions which increased from AED11.7 billion in the first nine months of 2016 to AED14.6 billion in the same period of 2017.

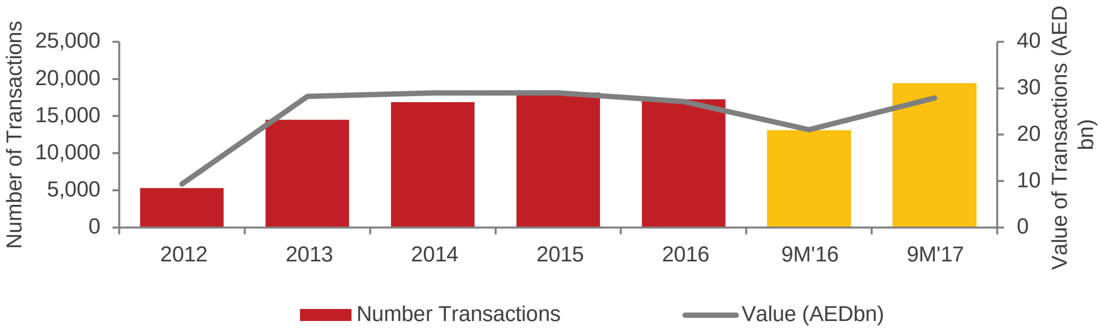
Established Properties Sale Transactions



Source: Dubai Land Department

Off-plan sales have been a major feature of the Dubai residential market as developers have sought to fund developments in advance of incurring outlays on construction. The total number of off-plan residential sales has increased steadily from just 3,200 sales in 2010 to more than 17,300 sales in 2016. Off-plan sales have become relatively more important, increasing from just 17 per cent. of total transactions by volume in 2010 to almost 59 per cent. in 2016. This trend has continued into 2017, with off-plan sales accounting for almost 67 per cent. of the total in the first nine months of 2017.

Off-Plan sales transaction volumes

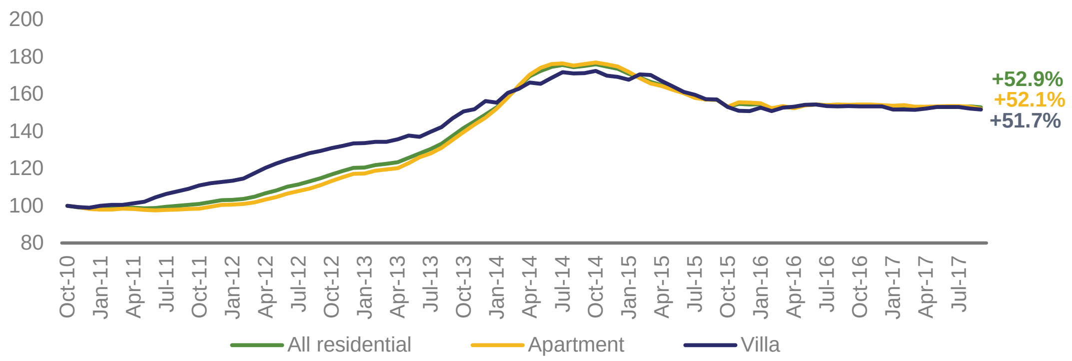


Source: Dubai Land Department

The Dubai residential market experienced its last cyclical peak in October 2014, with average prices having declined around 13 per cent. as of September 2017. With little change in average prices recorded over the past year, JLL considers this market to be positioned close to the bottom of its current cycle.

The average sale price across all residential transactions completed in September 2017 was AED1,292 per square foot. This represents a decline of around 13 per cent. since the last market peak (AED1,487 per square foot) in October 2014. However, prices have generally remained flat since October 2015. More established areas such as Downtown Dubai and Dubai Marina have generally outperformed the citywide average due to the quality of community and environment provided.

Dubai Residential Sale Prices (Rebased to 100)

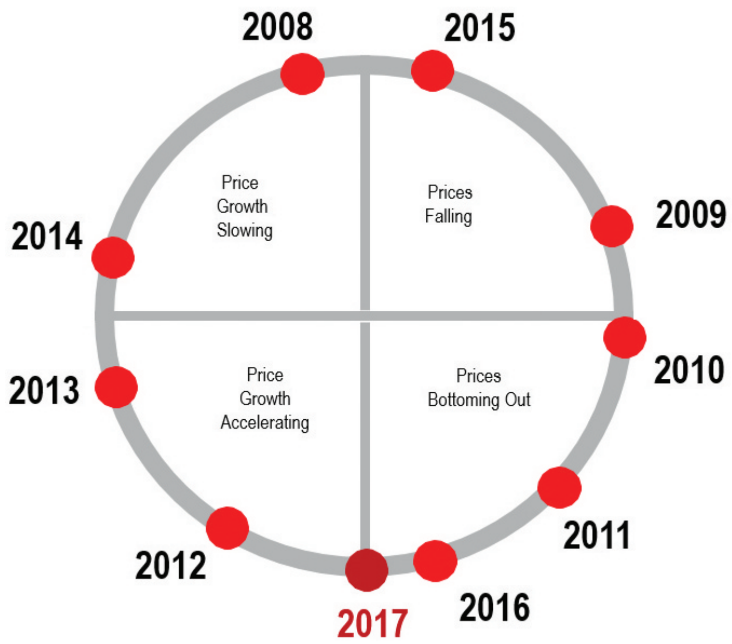


Source: REIDIN

The graph shows that the Dubai residential market has passed through one and a half cycles over the past 10 years. Following its previous peak in late 2008, prices then fell to their lowest point during 2011 before recovering again during 2012 and 2013. The subsequent cycle in the Dubai residential market has been less volatile or dramatic in terms of price movements than the first one, as the market has generally matured.

While there are a number of large developers active in the Dubai market, the market is relatively diversified, with no developer accounting for more than 15 per cent. of total supply over the past five years. We are the leading developer in Dubai and were rated "Best Real Estate Brand in the UAE" since 2014 by YouGov. We have a large land bank to service approximately 12 years of sales and 16 years of completions. We sold 6,500 units (representing AED 15.4 billion of sales value) in the nine months ended September 2017, which represents approximately 22 per cent. of the 29,049 units sold in the market. The second company ranked by YouGov, DAMAC Properties, reports to have 5.4 years of land bank. The third company in the YouGov ranking is Nakheel. Nakheel is a private company and is focused on the south-western area of Dubai where Emaar does not have a material presence.

Dubai Prime Residential Clock



Source: JLL

Note:

The property clock is a graphical tool developed by JLL to illustrate where a market sits within its individual cycle. It is important to recognise that markets move at different speeds depending on their maturity, size and economic conditions. Markets will not always move in a clockwise direction, they might move backwards or remain at the same point in their cycle for extended periods.

REGULATION OF REAL ESTATE IN DUBAI

Principal Legislation Governing Freehold and Leasehold Property

The Dubai Real Estate Registration Law No. 7 of 2006 (the "Registration Law") is the first local property law in Dubai to govern property ownership and the registration of property rights and other property-related legal issues. The Registration Law allows UAE and GCC citizens, and companies wholly owned by them, as well as public joint stock companies, to own freehold property anywhere within Dubai. Non-GCC expatriates and foreigners have the right to own property on a freehold or leasehold basis and/or to hold any other property rights only in designated areas within Dubai.

Regulation No. 3 of 2006 was issued pursuant to the Registration Law and defines approximately 23 areas in Dubai as designated areas where foreigners can own freehold, leasehold or usufruct right up to 99 years or hold any other property rights ("Designated Areas"). Other decrees issued by H.H. the Ruler of Dubai have subsequently designated other plots as Designated Areas.

The Registration Law also provides that the DLD is the sole competent authority authorised to register any real rights over property. To expedite the registration process, the DLD has outsourced the registration of certain property transactions, such as the sale of properties, to companies licensed by the DLD and called "Registration Trustees". The Registration Law established the Real Estate Register at the DLD. All property rights and any amendments to property rights must be registered in the Real Estate Register, which shall have the absolute power of evidence against all parties. No objection against the data on the Real Estate Register may be made other than on the grounds of fraud or forgery.

Foreign individuals and companies owned by them have the right to own properties in Designated Areas. However, the DLD's policy is not to allow foreign offshore companies and foreign companies in general to own properties directly in Dubai but instead allows them only to own properties in Designated Areas through Jebel Ali offshore companies or other free zone companies in Dubai. It is understood that one of the main goals behind this policy is to prevent property owners from avoiding paying the DLD registration fee by selling the Shares of the company instead of transferring the title at the DLD.

The DLD charges its fees pursuant to the Dubai Executive Council Resolution No. 30 of 2013 ("Resolution No 30"). The registration fee for the sale and purchase of a property is 4 per cent. of the property value as of the date of transferring the title for the property. The registration fee for a long-term lease is 4 per cent., for a usufruct agreement is 2 per cent. and for a musataha agreement is 1 per cent. Resolution No. 30 lists 87 transactions or services which the DLD provides and for which it charges fees.

Dubai Real Estate Authorities

Dubai Land Department (the "DLD")

The DLD is the main authority which oversees the real estate industry in Dubai. Dubai Law No. 7 of 2013 regarding the Dubai Land Department defines the goals, authorities, structures and other issues related to the DLD. Article 6 of Dubai Law No. 7 of 2013 states the DLD's authorities as being to:

- formulate policies and strategic plans and follow up on the implementation of Dubai's strategic plan for the development and regulation of the Emirate's real estate sector;
- register real estate by updating and developing the registration system in the Emirate, to keep up with the latest global standards;
- regulate real estate by setting up regulation in relation to trust accounts of real property project executions, mortgage brokerage and joint ownership;
- encourage real estate investment by providing information and data to investors in relation to investment opportunities in the Emirate's real estate sector;
- propose the necessary initiatives and policies for achieving the DLD's objectives and in particular the objectives related to the promotion of and investment in real estate in the Emirate;
- propose legislation regulating the real estate sector in the Emirate, measure the effectiveness of legislation after it has been applied, as well as regulate the relationship between landlords and tenants, and register lease contracts of real estate units;
- license the real estate activities in the Emirate, and supervise and monitor its operation and those responsible for it;

- through cooperation and contribution from the competent authorities, develop precautionary measures to ensure the protection and stability of the real estate market in the Emirate;
- promote real estate both within and outside the Emirate by organising and participating in real estate conferences, events and exhibitions, at local, regional and international levels;
- review real estate investment applications in relation to obtaining the benefits prescribed by legislation and policies adopted by the DLD;
- prepare and issue reports which introduce and focus on real estate as well as prepare newsletters and statements that serve these studies. In addition, the DLD is to provide decision-makers with the findings of these reports in order to utilise them in implementing the Government's policies and programmes;
- provide information and data to investors in relation to real estate investment opportunities in the Emirate;
- provide real estate valuation services;
- conduct surveys and re-surveys of lands, and issue the maps to these lands;
- disseminate real estate knowledge by preparing and implementing diverse real estate training programmes to train those in the Emirate who work in the real estate sector, including developers and mortgage brokers to others. In addition, to prepare and implement instructional and awareness programmes in relation to the rights and duties of those dealing in the real estate sector;
- provide specialised real estate consultations for developers, brokers, real estate investors and others;
- prepare and implement programmes and projects which contribute to enhancing people's roles and encourage them to work in the real estate sector;
- organise real estate seminars, workshops and conferences which discuss issues related to the real estate market; and propose solutions to it;
- evaluate the performance of organisations affiliated with the DLD, and ensure that they are performing the tasks and services assigned to them;
- prepare, develop and update a unified central database for real estate activities in the Emirate and regularly provide data services to planning and decision makers;
- form real estate councils and groups as well as consult with committees comprising people with various real estate expertise, in order to offer advice and consultation on matters faced by the DLD; and
- any other tasks necessary in order to achieve the objectives of the DLD.

DLD Agencies

The DLD implements its policies and authorities through several agencies which are part of the DLD. These agencies are the following:

Real Estate Regulatory Agency

RERA is an arm of the DLD responsible for regulating the real estate sector and was established pursuant to Dubai Law No. 16 of 2007, which specifies its objectives as follows:

- proposing the necessary legislation to regulate the work of real estate brokerage offices and owners' associations;
- issuing regulations for the training and certification of real estate brokerage offices;
- licensing all activities relating to the work of RERA, including activities relating to real estate development in the Emirate;
- accrediting banking and financial institutions which are certified to manage escrow accounts of real estate developments on behalf of real estate developers in accordance with applicable legislation;
- licensing and regulating real estate brokerage offices and monitoring and overseeing their activities;
- licensing and regulating companies and establishments that manage real estate and residential developments and monitoring and overseeing their activities;
- registering and attesting leases for the various kinds of real estate units in the Emirate in accordance with such legislation as may be issued in this regard;

- monitoring and overseeing the activities of owners' associations and auditing their accounts and records;
- keeping track of property advertisements that are published in the various media operating in the Emirate, including those operating in free zones;
- providing support and advice on property valuation in accordance with the latest accredited standards;
- issuing statistical reports and specialised research and studies on the property market, including any publications and information that aid such studies and offer insight into the property market in the Emirate;
- preparing and executing programmes and projects that enhance the role of nationals in the real estate sector and encourage their involvement in that sector; and
- developing and implementing education and awareness programmes on the rights and obligations of parties involved in the real estate sector.

Real Estate Investment Management and Promotion Center

The Real Estate Investment Management and Promotion Center seeks to support national and international real estate investment companies, and develop the real estate investment environment and motivate activities through the promotion of direct and long-term investments. The Center introduced the Tayseer Program to facilitate financing the development projects and the Tanmia initiative to support stalled development projects in Dubai by introducing new investors to continue the projects and other initiatives to promote the real estate sector in Dubai.

Dubai Real Estate Institute

The Dubai Real Estate Institute provides training, seminars and workshops in many subjects related to real estates.

Rental Dispute Settlement Center (the "Center")

The Rental Dispute Settlement Center in Dubai was established pursuant to Dubai Decree No. 26 of 2013. This Decree aims to establish a judicial system specialising in hearing tenancy disputes, developing procedures for adjudicating this kind of dispute through a fast and simple mechanism in order to achieve social and economic stability for all those concerned with property, leasing and related sectors, in order to support the sustainable development of the Emirate.

The Center shall exclusively carry out the following functions:

- Settlement of all tenancy disputes arising between landlords and tenants in relation to real estate in the Emirate or in the free zones, including counterclaims arising from such disputes and the requests to take temporary or summary procedures submitted by any party to the lease contract;
- Settlement of appeals of the decisions and judgments that may be appealed in accordance with the provisions of this Decree, and the regulations and resolutions issued herein; and
- Execution of decisions and judgments issued by the Center in relation to tenancy disputes falling within its jurisdiction.

The Center shall not have jurisdiction in the following tenancy disputes:

- Tenancy disputes in relation to free zones that have special judicial committees or courts competent to settle tenancy disputes arising within their boundaries;
- Tenancy disputes in relation to lease financing (ijara); and
- Disputes arising from long-term lease contracts which are subject to the provisions of Law No. (7) of 2006 referred to herein.

The organisational structure of the Center consists of two divisions, a judicial division and an administrative division.

The judicial division consists of the following organisational departments and units:

- The Reconciliation Department;
- The Department of First Instance;

- The Appeal Department; and
- The Judgment Enforcement Department.

The administrative division of the Center consists of a number of structural units mandated to provide technical and administrative support to the judicial division.

Other Relevant Authorities

Dubai Municipality

Dubai Municipality provides municipal services to the Emirate of Dubai. Its work includes urban planning and zoning, registering granted lands and issuing site plans for granted lands, supervision of construction, environmental protection and improvement, maintaining public parks, regulation and maintenance of international quality standards in construction and building materials, food and consumable items, professional services in laboratory certification and accreditation. Other authorities such as "Trakhees" and certain free zone authorities perform certain Dubai Municipality functions such as issuing building licences and completion certificates in the newly-developed areas in Dubai.

Dubai Civil Defence Department

Generally, in order to obtain a building licence and completion certificate for a building in Dubai, certain approvals and licences are required from other authorities such as from the Dubai Civil Defence Department. This department is responsible for ensuring compliance with safety standards, which include installation of fire safety and other emergency equipment and, upon an inspection by the Dubai Civil Defence Department, a completion certificate will be issued.

Roads and Transport Authority ("RTA")

Generally, with respect to development in Dubai, the developer must obtain RTA approval of a traffic impact study to ensure that the development complies with RTA standards and regulations.

Other Relevant Real Estate Legislation

Dubai Law No. 8 of 2007 (the "Escrow Account Law")

The Escrow Account Law was issued in 6 May 2007 and governs the sale of properties off plan, the payment of the purchase price for such properties into an escrow account and the responsibilities of the escrow agent, which must be a financial institution approved by RERA. The money in the escrow account will only be permitted to be drawn down when certain specified construction milestones are met in accordance with the escrow agreement which has to be approved by RERA. The monies credited to the escrow account shall not be subject to attachment in favour of a developer's creditors.

The developer must retain 5 per cent. of the total funds in the escrow account for one year following the completion date, being the date upon which the units sold in the development are registered in the names of the buyers, such funds to be held in escrow to ensure that the developer fixes any defects in the sold units during that first year.

Pursuant to RERA's current practice, developers are allowed to withdraw a limited amount to cover their administrative and marketing costs. RERA requires a regular financial report to be prepared by certified auditors about the project. If there are not sufficient funds, RERA can require the developer to top up the escrow account, as the responsibility to complete the project's construction rests with the registered developer. RERA has introduced recently a new system called "TAS System" which links electronically between RERA, developers and escrow agents and the main purpose of this TAS System is to allow developers to submit all their applications electronically which will help RERA to monitor escrow accounts more efficiently.

The Escrow Account Law stipulates severe penalties for breach of the Escrow Account Law, including imprisonment and/or a fine of not less than AED100,000.

Dubai Law No. 13 of 2008 ("Interim Real Estate Register")

Dubai Law No. 13 of 2008 regulating the Interim Real Estate Register in the Emirate of Dubai was issued on 14 August 2008 ("Law No. 13") and created a register to record all off-plan sales of real estate units (the "Interim Register"). Law No. 13 was subsequently amended by Dubai Law No. 9 of 2009 and an implementing regulation to Law No. 13 was issued by the Dubai Executive Council's Resolution No. 6 of 2010 ("Resolution No. 6 of 2010").

Law No. 13 provides that any sales off-plan will be void if they are not recorded in the Interim Register.

Law No. 13 (as amended) also provides, among other things, that: (i) a developer is not permitted to commence selling units off-plan until it has taken possession of the project's land and obtained all necessary approvals from the competent authorities; (ii) developers are not entitled to charge registration fees and are only permitted to collect limited "administration fees" as approved by the DLD; and (iii) developers are not permitted to claim an increase in the purchase price of units if, after completion of a development, the units have a larger area than originally set out in the contract unless agreed otherwise in the sale contract. Furthermore, developers are required to compensate purchasers where the net area of a unit is more than 5 per cent. smaller than that specified in the contract. The compensation payable will be calculated on the basis of the purchase price for the relevant unit.

Article 11 of Law No. 13 (as amended) sets out the procedure that must be followed in the event that the developer wishes to terminate an off-plan sales agreement by virtue of the purchaser's default and the compensation that a developer may obtain in such circumstances. In the event that a purchaser breaches any of its obligations of the off-plan sales agreement, then the following procedures shall be followed:

- as per the DLD's current practice, the developer shall notify the purchaser asking it to abide by its contractual obligations pursuant to the terms of the contract;
- the developer shall notify DLD of the purchaser's default in payment;
- the DLD shall by notice give the purchaser a period of 30 days, from the date of receipt of the DLD's notice, to fulfil its contractual obligations;
- if at the end of the notice period the purchaser has not fulfilled its contractual obligations, the developer may:
  (i) where it has completed construction of at least 80 per cent. of the project, retain the full amount paid by the purchaser and demand that the purchaser settles the outstanding purchase price. If this is not possible, the developer may demand that the real estate unit be sold at a public auction and collect the remaining sums owed to it by the purchaser or terminate the sale and purchase agreement and retain up to 40 per cent. of the value of the real estate unit and retain the unit;
  (ii) where it has completed construction of at least 60 per cent. of the project, terminate the contract and retain up to 40 per cent. of the purchase price stated in the contract;
  (iii) where it has commenced construction but less than 60 per cent. of the construction of the project has been completed, terminate the contract and retain up to 25 per cent. of the purchase price stated in the contract; and
  (iv) where construction has not yet commenced for reasons beyond the developer's control, and there is no negligence on the developer's part, terminate the contract and retain up to 30 per cent. of the amounts paid by the purchaser.

For the purpose of paragraphs (ii) and (iii) above, the developer must refund any amounts due to the purchaser on the earlier of within one year of the termination of the contract or within 60 days from the date of resale of the property.

Resolution No. 6 of 2010 provides a non-exhaustive list of events which shall be deemed causes beyond the developer's control, including that the land on which the project is to be built is dispossessed for public interest, a government authority stops work on the project due to re-planning reasons, excavations or service networks are found on the project's location or the master developer makes modifications in the project's location resulting in changing the project's borders and area in a way that affects the sub-developer in executing its obligations.

In addition, Dubai Law No. 9 of 2009 amending certain provisions of Law No. 13, and Resolution No. 6 of 2010 provide RERA with the ability to cancel a project if it considers it appropriate having considered such project's viability. In such case, the developer is obliged to return all the money paid by the purchasers. In the event that the balance of the project's escrow account is insufficient to satisfy the amounts owed to the purchasers, the developer shall repay the sums to which purchasers are entitled within 60 days of the project cancellation decision.

Dubai Law No. 27 of 2007 (the "Strata Law" or "Law No. 27")

Dubai Law No. 27 of 2007 concerning jointly owned properties (the "Strata Law") was issued on 10 December 2007. Any property which is divided into units intended for separate ownership and which has areas which are used by more than one owner will constitute a jointly owned property. The Strata Law sets out the framework for granting purchasers of individual units in a building freehold ownership rights to their units together with ownership of a proportionate share of the common areas in the building or a master community. The Strata Law also provides for an owners' association (which is a legal entity in its own right) to manage and operate the common areas of the building. The owners' association is responsible for, among other things, the collection of the service charges (including those from developers who have unsold units in the development) required to maintain and operate the common areas. Each unit owner will be a member of the owners' association and will have a right to vote on decisions taken by the owners' association.

The DLD has issued several regulations as guidance and implementing regulations for the Strata Law (the "Directions") which set out a number of mandatory requirements which developers must comply with before they are able to sell or continue to sell units in their developments. The Directions introduced an important tool to protect purchasers by requiring developers to disclose detailed information about developments before signing contracts to sell units (a "Disclosure Statement").

The Strata Law and the Directions require the jointly owned property structure to be defined in the jointly owned property declaration ("JOPD"). Any application to the DLD to register a sale of a unit in a development which has been sub-divided for sale as individual units will need to be accompanied by a JOPD setting out details relating to the development and, in particular, details as to how the common areas in the relevant building will be managed. A JOPD is required for each separate plot of land in a development (including a "volumetric plot" comprising a building or part of a building) and will be provided to a purchaser as part of the developer's Disclosure Statement requirements with other key documents detailing the management and operation of the development.

If a developer fails to satisfy the full Disclosure Statement requirements under the Directions, the relevant contract to which the failure relates may be held void.

Full implementation of the Strata Law in Dubai has not taken place meaning that owners' associations are not being routinely registered with the authorities and therefore owners' associations do not have legal status.

Rather than register owners' associations, the authorities have preferred to regulate the management of strata buildings in Dubai by requiring the developer and a community manager to manage the same under RERA's supervision.

The key risk (that would not be there were owners' associations given legal capacity) is that the developer has to stay involved with the management of the development after handover. This means the developer, or sometimes their community manager, has to insure, contract on behalf of, levy and collect service charges on behalf of the owners/owners' association. Were there a legal owners' association, the developer would not have these ongoing management obligations. In addition, due to the law being inconsistent with practice, there are some legal challenges for the developer in doing simple things like collecting service charges (such a right is normally vested in the OA as the legal entity with jurisdiction). Other challenges have arisen out of the cladding fires where insurers have not wanted to pay funds to the developer (arguing that this should be to the owners' association which in theory has jurisdiction).

While the situation highlighted above has necessitated some "work around" solutions, the real estate development industry has adapted and only moderate risks arise, provided such work around solutions are understood and good development and estate management practices are adopted.

In addition, this area of law is currently under review. It is anticipated that the law, once reviewed, will better align with the current practice.

Dubai Law No. 26 of 2007 and its amendment (the "Tenancy Law")

Dubai Law No. 26 of 2007 as amended by Dubai Law No. 33 of 2008 regulates the relationship between landlords and tenants in the Emirate of Dubai. The Tenancy Law provides for the rights and obligations of tenants and landlord such as in relation to maintenance, registration of leases, renewal of leases and eviction of tenants during the term of the lease or upon the expiry of the lease and gives tenants legal protection by limiting the eviction of tenants to specific events.

In order to control the increase of rent in Dubai, several decrees were issued during the last years and the current decree which governs the increase of rent in Dubai is Dubai Decree No. 43 of 2013 (the "Rent Cap Decree").

The Rent Cap Decree specifies the percentage of the maximum increase in the real estate rental in the Emirate of Dubai as follows:

- no increase in the existing rent value of the real estate unit shall be allowed if its rental is less than 10 per cent. of the average market rental rate;
- up to 5 per cent. increase of the existing rent value of the real estate unit shall be allowed if the existing rental is less than 11 per cent. to 20 per cent. of the average market rental rate;
- up to 10 per cent. increase of the existing rent value of the real estate unit shall be allowed if the existing rental is less than 21 per cent. to 30 per cent. of the average market rental rate;
- up to 15 per cent. increase of the existing rent value of the real estate unit shall be allowed if the existing rental is less than 31 per cent. to 40 per cent. of the average market rental rate; and
- up to 20 per cent. increase of the existing rent value of the real estate unit shall be allowed if the existing rental is less than 40 per cent. of the average market rental rate.

Dubai Law No. 14 of 2008 (the "Mortgage Law")

The Mortgage Law was issued on 14 August 2008 and governs real estate mortgages and requires a mortgagee to be a licensed bank in the UAE and allows for the mortgage of the real estate units sold off-plan. The Mortgage Law allows the enforcement of the mortgage upon the mortgagor's default by sending a 30-days' notice to the mortgagor and, if the mortgagor fails to rectify his default, the mortgagee can sell the mortgaged units by auction through Dubai Courts.

The Central Bank of the UAE issued the Regulations Regarding Mortgage Loans on 28 October 2013 to protect the financial sector, foster consumer protection and enhance financial stability. This Regulation allows a UAE national, for his first property, to obtain a loan for a maximum of 80 per cent. of the property value if the property value is less than or equal to AED5 million, and a maximum of 70 per cent. of the property value if the property value is more than AED5 million. The maximum loan amount for the second property for a UAE national is 65 per cent. of the property value regardless of whether the property value is under or over the AED5 million threshold. For a non-UAE national, for his first property, the maximum loan allowed is 75 per cent. of the property value if the property value is less than AED5 million and, if it is more than AED5 million, the maximum loan is 65 per cent. of the property value. For a non-UAE national's second property, the maximum loan is 60 per cent. of the property value, regardless of whether the property value is under or over the AED5 million threshold.

Dubai Decree No. 21 of 2013 regarding the Liquidation of Cancelled Real Estate Projects

Dubai Decree No. 21 of 2013 concerning the formation of a special judicial committee for the liquidation of cancelled real estate projects in the Emirate of Dubai and the settlement of the relevant rights was issued on 23 July 2013. RERA may require that a stalled project be cancelled and referred to a special judicial committee pursuant to Decree No. 21 of 2013.

Dubai Decree No. 21 of 2013 grants the liquidation committee, among others, the following powers:

- to consider and decide such issues, demands and claims that may arise between the real estate developers and the purchasers, whose subject matter or cause is cancelled real estate projects;
- to liquidate real estate projects cancelled under a final resolution to be issued by RERA, in accordance with the provisions of the Dubai Law No. 13 of 2008 and its executive regulation, and to settle the relevant rights upon deducting the liquidation expenses; and
- to consider all executive proceedings, complaints and grievances whose subject matter or cause is cancelled real estate projects.

The Decisions of the Committee are final and binding and may not be appealed.

Dubai By Law No. 85 of 2006 regarding the Regulation of Real Estate Brokers' Register in the Emirate of Dubai

Dubai By Law No. 85 of 2006 was issued by the chairman of the DLD on 30 May 2006 and regulates the registration and licensing of real estate brokers, brokers' obligations and responsibilities, commission, settlement of brokers' disputes and penalties in case any broker violates this By Law.

DIRECTORS, MANAGEMENT AND EMPLOYEES

Directors and Management

Board of Directors

Certain members of the Board, their families and companies of which they are principal owners, or of which they are employees, have dealings with Emaar Properties or the Company in the ordinary course of business. To the extent that any member of the Board or the senior executive management have any dealings with any of our shareholders, customers or suppliers, the transactions with such parties are made at arm's length and on substantially the same terms as those prevailing at the same time for comparable transactions with unrelated parties.

As at the date of this Prospectus, no member of the Board has any actual or potential conflict of interest between their duties to the Company and their private interests and/or other duties. Each of the Directors named in the table below has outside interests in entities other than the Company, including employment and/or directorships with third parties (as set out underneath their names in the paragraphs below). As the Directors are involved in the Company's decision making process and have knowledge of the Company's products and services, including the commercial terms thereof, a potential conflict of interest may arise should there be competing interests between the Company and the other relevant entity of which such a director holds directorships or senior management positions. However, the Company has established robust internal procedures to deal with any such potential conflict, including the relevant Director being excluded from voting at board meetings on issues which relate to the relevant Director's and/or other connected entity's dealings with the Company.

Under the Companies Law (as defined below), all directors are liable to the Company, its shareholders and third parties for any acts of fraud, misuse of powers, violation of laws, violation of its Articles of Association or for mismanagement. We have several internal policies to prevent misuse of powers by its directors and to protect its shareholders, including a policy against insider trading, a disclosure policy for board directors and executive management and a shareholders' rights policy. In addition, the Nomination and Remuneration Committee and the Audit Committee (each as described below) carry out extra checks and balances on the actions of the directors and executive management and detailed procedures are also in place for internal approvals. We are required to submit an annual corporate governance report to the Securities and Commodities Authority, which discloses all operations and related party transactions.

The business address of each of the directors is Emaar Business Park, Building 3, Level 6, PO Box 9440, Dubai, UAE.

The members of the Board are as follows:

Name	Age	Position
H.E. Mohamed Ali Rashed Alabbar	61	Executive Chairman
Ahmed Bin Jamal Bin Hassan Jawa	61	Director
Jamal Majid Bin Theniyah	59	Director
Arif Obaid Saeed Al Dehail	50	Director
H.E. Dr. Aisha Butti Bin Bishr	44	Independent Non-Executive Director
Adnan Kazim	48	Independent Non-Executive Director
Abdulla Mohammed Al Awar	38	Independent Non-Executive Director

His Excellency Mohamed Ali Rashed Alabbar—Executive Chairman

Mr Alabbar is the founder and Chairman of Emaar Properties and is a prominent entrepreneur with active interests in the high-value property development, retail, luxury hospitality, mining and commodities, e-commerce and food & beverage sectors, among others. He also serves as a Board Member in Noor Bank and Investment Group, Eagle Hills, Africa Middle East Resources and Tradewinds Corporation, among others. He previously served as Director in the Dubai Department of Economic Development.

Ahmed Bin Jamal Bin Hassan Jawa—Director

Mr Jawa is an entrepreneur and founder of Starling Holding, a global investment group dealing with private equity and direct investments worldwide. He is also the founder of Contracting and Trading Company, which oversees investment opportunities in the GCC region and the Middle East, and is a board member of Al Salam Bank and RAK Petroleum.

Jamal Majid Bin Theniyah—Director

Mr Bin Theniyah previously served as Non-Executive Director and Vice Chairman of DP World. He was appointed Managing Director in 2001 and became the DP World Vice Chairman in 2005. He is also serving as the CEO of Port & Free Zone World, and was appointed Non-Executive Independent Director of Etihad Rail Company in 2009.

Arif Obaid Saeed Al Dehail—Director

Mr Dehail is currently serving as CEO of the Dubai Port Authority. He was previously CEO of the Department of Planning & Development in Trakhees, and COO and Assistant Managing Director of DP World for the UAE region having worked on several key projects including the Megamax Terminal 2 and Terminal 3 projects.

Her Excellency Dr. Aisha Bin Bishr—Independent Non-Executive Director

Dr Bin Bishr is currently serving as Director General of Smart Dubai Office, the government entity overseeing Dubai's citywide smart transformation. She previously worked as Assistant Director General of the Executive Office and Assistant Undersecretary in the Ministry of Labor, UAE.

Adnan Kazim—Independent Non-Executive Director

Mr Kazim is an executive of the Emirates Group, serving as Divisional Senior Vice President of Strategic Planning, Revenue Optimisation & Aero-political Affairs, and has been Vice President of Commercial Operations in Africa at Emirates since 2007. He joined Emirates in 1992 and has held various positions including Senior Vice President of Commercial Operations of Gulf Middle East and Iran at Emirates Airline.

Abdulla Mohammed Al Awar—Independent Non-Executive Director

Mr Alawar is currently serving as CEO of Dubai Islamic Economy Development Centre. He has previously held various executive positions while working for the DIFC, and served as its CEO from 2009 to 2012. He has also served as board member of the Executive Council of Dubai, the Dubai Free Zones Council and Bourse Dubai among others.

Executive Management

The business address of each member of the Company's Executive Management is Emaar Square, Building 3, Levels 1, 2 and 4, and Building 1, Level 7, PO Box 9440, Dubai, UAE.

The names and titles of each member of the Company's Executive Management are set out in the table below:

Name	Age	Position
Chris O'Donnell	60	Chief Executive Officer
Sunil Grover	45	Chief Financial Officer
John Carfi	51	CEO of Development and Projects
Rasha Hassan	43	Chief Commercial Officer
Milosha Mascarenhas	32	Design Director
Rami El Tawil	33	Chief Marketing Officer
Jeevan D'Mello	50	Chief Customer Officer
Walid Karam	49	Legal Counsel

As at the date of this Prospectus, there are no conflicts of interest between the private interests and other duties of the Executive Management listed above and their duties to the Company.

Chris O'Donnell—Chief Executive Officer

Chris O'Donnell has over 40 years of real estate industry experience. Prior to joining Emaar, he served as the Group Director of Real Estate of Al Futtaim Group from 2012 to 2016, as CEO of Nakheel LLC from 2006 to 2011 and as Managing Director of the Investa Property Group from 2000 to 2006. Chris also served in management positions at Westpac Investment Property Limited, Lend Lease Group and Capital Property Group. Chris holds a Diploma in Business (Real Estate Management) from the Canberra Institute of Technology. Chris is a fellow of the Australian Institute of Company Directors, a Fellow of the Australian Property Institute and an Affiliate Member of the Australian Institute of Quantity Surveyors.

Sunil Grover—Chief Financial Officer

Sunil Grover has over 20 years of industry and related experience in finance, accounting, budgeting, planning and reporting. He has been with Emaar since 2000 and currently serving as Chief Financial Officer of Emaar Properties' Dubai development business. Prior to joining Emaar, Sunil has worked with Noida Power Company Limited (RPG Group Company). Sunil holds a Bachelor of Commerce from the University of Delhi. Sunil is a Certified Company Secretary from Institute of Company Secretaries of India.

John Carfi—CEO of Development and Projects

John Carfi has over 30 years of real estate industry experience. Prior to joining Emaar as its CEO of Development and Projects, John served as the CEO of Residential Development for Mirvac, a leading Australian real estate group, from 2001 to 2017. From 1987 to 2001, John held various positions at the Landlease Group, a multinational construction, property and infrastructure company. John holds post graduate qualifications from the University of Chicago Booth School of Business and INSEAD, as well as a Bachelor of Applied Science in Building Construction Technology from the University of Technology, Sydney.

Rasha Hassan—Chief Commercial Officer

Ms. Rasha Hassan has over 17 years of experience in senior management positions in Real Estate, management consultancy and banking services. She has been with Emaar since 2004, and has been one of the key pillars of its success during the rise of its various iconic landmarks and communities.

As Chief Commercial Officer, Ms. Hassan leads our sales teams to continuously enhance and implement sales and product strategies to the market. As a result of her significant experience in customer service over the years, Ms. Hassan has gained extensive knowledge and skills in reaching out to existing and potential customers that have been valuable to successfully drive revenue and market growth for the company.

With a growing team of approximately hundred staff, she oversees their sales performance and operations, as well as Emaar's property services company, Hamptons.

Ms. Hassan graduated with Bachelor's degree in Finance and Accountancy from Al Turath University.

Rami El Tawil—Chief Marketing Officer

Mr. Rami El Tawil is the Chief Marketing Officer of Emaar Properties; he joined the company in May 2012. He is responsible for leading the corporate marketing function, including the development and implementation of Emaar's marketing strategy. In addition, he set up the company's in-house media and sponsorship department managing digital, media selling, buying and planning.

Mr. El Tawil has over 12 years of experience in senior management roles in mid- to-large size organizations including multinational agencies and government entities. His primary focus has been on growing the media business in the GCC and MENA region by working closely with clients and stakeholders. Previously, as Senior Commercial Director at Emaar and Head of Media, Sponsorship and Media Business Development, he has worked as Media Manager—Broadcast & Digital Out of Home at Abu Dhabi Media handling a portfolio of five radio stations, and Regional Media Manager at MEC. Mr. El Tawil holds a Bachelor of Science in Business Marketing and Executive MBA from the University of Atlanta in the USA.

Milosha Mascarenhas—Design Director

Milosha Mascarenhas has over 10 years of industry experience on large scale Mixed-use projects. She has been with Emaar Properties since 2015, serving as Architect, Project Manager and presently as Director of Design. Prior to joining Emaar, Milosha worked as a senior architect and project manager for various consultancies in Dubai, including for RSP Architects Planners & Engineers, Woods Bagot and Mathew & Ghosh Architects. Milosha holds a Bachelor's degree in Architecture from Goa University.

Jeevan D'Mello—Chief Customer Officer

Jeevan D'Mello has over 29 years of industry experience. He has been with Emaar since 2002, serving as Senior Director of Community Management and presently as Chief Customer Officer. Jeevan also is a lecturer and faculty member at the Dubai Real Estate Institute and Community Associations Institute, USA. Prior to joining Emaar, Jeevan held positions at NRI Network Corporation Limited, HSBC Bank Middle East. Jeevan holds a Govt Diploma in Architecture from the Academy of Architecture in Mumbai, India and is a Certified

Manager of Community Associations, Professional Community Manager and Large Scale Manager by the Community Associations Institute.

Walid Karam—Legal Counsel

Walid Karam has over 26 years of law and legal consulting experience. He has been with Emaar since 2007, serving as Head of Legal, Director of Legal and currently as Senior Director, Legal. Prior to joining Emaar, Walid worked for six years for Habib Al Mulla & Co., a leading local law firm in Dubai, as well as for Emile Kanaan & Co., a leading law firm in Beirut. He holds a Bachelor's Degree in Law from Saint Joseph University in Beirut, Lebanon.

Employees

As at 30 September 2017, we had 340 employees. All of our employees are based in Dubai. The table below shows our approximate number of employees as at 31 December in each of the years indicated:

Year	Number of employees
2014	279
2015	339
2016	305
2017 (as at 30 September)	340

We provide a range of employee benefits such as health insurance, children's education allowance, discount programmes and discretionary annual bonuses.

We recognise the importance of the calibre and the motivation of the individuals we employ. A performance management system where our objectives are translated into measurable departmental and individual objectives is in place and assists with regularly monitoring performance. A formal appraisal is carried out for all employees on an annual basis. Bonuses and rewards are linked with key performance indicators which feeds into the performance management system.

We place a high degree of importance on staff development and development plans are implemented for high performers and high potential staff through quality training and establishing and maintaining standards of professional conduct. Development of employees is carried out through in-house training but when specialist training is needed, local and internationally recognised external agencies are invited to partner with us.

On 1 November 2017, a further 31 employees were transferred to the Company from Square 8 Media LLC, a subsidiary of Emaar Properties.

Corporate Governance

We are committed to maintaining appropriate standards of corporate governance and to complying with all legal and regulatory requirements relating to corporate governance. We have established a framework of corporate governance policies, rules and practices which comply with the requirements of the Code of Governance issued by Decree of the Ministry of Economy No. 518 of 2009 and take into consideration international best practices as appropriate. The most significant features of that framework are set out hereunder.

Board of Directors

The Board consists of seven members and is vested with the power to manage the Company and conduct its business in accordance with the Federal Law No. 2 of 2015 concerning commercial companies of the UAE. The Board comprises three non-Executive directors and four Executive Directors, and three of its members are independent non-executive directors. The Chairman, in accordance with UAE law, must be a UAE national. Independent board members are elected for a term of three years. The Board meets at least every three months.

The position of the Chairman and the Managing Director are held by separate individuals to ensure effective and clear supervision and accountability at the Board and Management levels.

There are currently three permanent Board Committees: the Investment Committee, the Audit Committee (including Internal Control, a department supervised by the Audit Committee) and the Nomination and Remuneration Committee. Further details of each committee are set out below.

Investment Committee

The Investment Committee is established principally to review and monitor the investments made by the Company, to undertake periodical reviews of investment performance, financing structures for various projects and also the Group's overall corporate financing structure to ensure that it is consistent with the Company's requirements for growth and is fiscally sound and to exercise the authority and functions set out below or as may be delegated to it by the Board from time to time. The Investment Committee will be made up of the Chairman and three non-executive directors.

The main objectives and responsibilities of the Investment Committee are as follows:

- to review and approve for recommendation to the Board any new investment proposal;
- to review and ensure that the investment is within the policy established by the Company and meets the investment criteria from a risk and return perspective;
- to review and approve for recommendation to the Board of Directors, if appropriate, specific public debt offerings and other financings or refinancing to be undertaken by the Company and its subsidiary and affiliates in excess of Management limits, as well as public equity offerings;
- to review the proposed annual short-term plan, annual budgeted cash flows, capital budget and strategic plan to address significant financial issues affecting the Company's ability to achieve its business objectives;
- to review on a periodic basis the Company's policy governing approval levels for capital expenditures and the Company's financial plan to fund approved capital expenditures; and
- to review and approve the Company's Investment Policy and Guidelines.

The Investment Committee meets upon request and whenever required in accordance with the objectives and responsibilities outlined above.

Audit Committee

The Audit Committee will be made up of three non-Executive directors, two of whom will have accounting or related financial management expertise and experience.

The main objective of the Audit Committee is to assist the Board of Directors in fulfilling its oversight and fiduciary responsibilities to the Group.

The Audit Committee has responsibilities related to external audit, financial reports and internal control and risk management. The main objectives and responsibilities of the Audit Committee are as follows:

- overseeing and appraising the quality of the audit efforts of the Company's internal audit function and of its external auditors;
- making recommendations to the Board in relation to the appointment of the external auditor;
- assisting the Board of Directors in ensuring proper implementation of the governance rules as set out in applicable governance laws, regulations and internal policies and procedures;
- serving as an independent and objective party to review the integrity of the financial information presented by management to the shareholders, regulators and the general public;
- facilitating communication between the Board of Directors and the external and internal auditors;
- assisting the Board of Directors in evaluating the procedures for risk management; and
- ensuring compliance by the Company and its employees with the relevant laws, regulations and internal policies and procedures.

The Audit Committee meets quarterly, in compliance with SCA regulations, and whenever required in accordance with the objectives and responsibilities outlined above.

Internal Control

It is the policy of the Board of Directors to maintain and support a quality internal audit function carried out by the Internal Control Department which reports directly to the Board. The Internal Control Department is guided by its Charter which establishes the general authorisation from the Audit Committee to perform internal audit activities within a defined scope of work in accordance with the annual audit plan approved by the Audit

Committee. The Charter also sets out the purpose, authority and responsibility of the Internal Control Department. It establishes the Internal Control Department's position within the Group, authorises access to records, personnel and physical properties relevant to the performance of engagements and defines the scope of work. The Audit Committee is responsible for supervising the Internal Control Department's day-to-day business.

The Internal Control Department's core responsibility is to review the effectiveness of the internal control systems within the Group. The Internal Control Department reviews and reports on all business processes and support functions within the Group. Reports raised by the Internal Control Department are submitted to the Audit Committee and senior management, as well as to the Board of Directors. On an ongoing basis, the Audit Committee monitors the progress that management has made with respect to remedial actions taken on issues and findings raised by the Internal Control Department.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee will be made up of three non-Executive directors, of which at least two will be independent committee members.

The main objectives and responsibilities of the Nomination and Remuneration Committee are as follows:

- regulation and supervision of procedures for nomination of Board members as per applicable laws and identifying candidates, reviewing all nominations and making recommendations for appointments of committee members and senior management;
- reviewing the Board structure, size and composition to ensure that they comply with applicable laws and making recommendations to the Board of Directors with regards to any adjustments that are deemed necessary;
- determining the Company's needs of executive management and employees and the criteria for their election;
- ensuring that the criteria and methods applied in identifying candidates and reviewing nominations for appointments to the Board of Directors, committees and senior management are in accordance with applicable laws;
- ensuring the continuing independence of the members of the Company's Board of Directors in accordance with applicable laws;
- issuing a human resources and training policy, supervising its implementation and reviewing the policy annually;
- issuing a remuneration policy comprising bonuses, benefits, incentives and salaries for Board members and employees and reviewing the policy annually in the best interests of the Company and its shareholders;
- ensuring as far as possible that the remuneration and compensation packages, in particular those of the senior management, take due account of the environment, circumstances and performance which are faced by the Company; and
- administering the Company's share option schemes for Group executives and directors.

The Nomination and Remuneration Committee meets annually, in compliance with SCA regulations, and whenever required in accordance with the objectives and responsibilities outlined above.

RELATED PARTY TRANSACTIONS AND MATERIAL CONTRACTS

We are and have been a party to various agreements and other arrangements with related parties, comprising Emaar Properties and certain of its other subsidiaries. The most significant of these transactions are described below. For details of these transactions and their impact on our financial results as of and for the three years ended 31 December 2016 and as of 30 September 2017 and for the nine months ended 30 September 2016 and 2017, please refer to Note 23 to the Audited Financial Statements and Note 17 to the Unaudited Interim Financial Statements included elsewhere in this Prospectus. Other than the transactions that are described below, we did not engage in any other material related party and interested parties transactions with related parties during the periods specified above.

Relationship Agreement

On 1 November 2017, the Company entered into an agreement with Emaar Properties (the "Relationship Agreement") that will come into force on Admission. The principal purpose of the Relationship Agreement is to ensure that the Company is capable at all times of carrying on its business independently of Emaar Properties.

The Relationship Agreement shall stay in effect until the earlier of: (i) Emaar Properties ceasing to own an interest, directly or indirectly, of at least 10 per cent. in the Company, at which point the rights and obligations of Emaar Properties under the Relationship Agreement shall terminate; (ii) the Shares ceasing to be listed on the DFM; and (iii) the mutual agreement of the Company and Emaar Properties to terminate the Relationship Agreement (in whole or in part), subject to the prior approval of a majority of independent non-executive directors (or if there are two independent non-executive directors or fewer, then the approval of both or the sole independent non-executive director).

Under the terms of the Relationship Agreement, Emaar Properties agrees to conduct all transactions, relationships, arrangements and agreements with the Company on arm's length and on commercial terms as offered by Emaar Properties or its group companies to third parties or to other related parties, unless Emaar Properties decides to give, at its sole discretion, better terms to the Company. Emaar Properties undertakes to exercise its voting rights in the Company to ensure that: (i) the Board consists at all times of seven members; (ii) the majority of the members of the Board shall be non-executive directors; (iii) at least one-third of the members of the Board shall, at all times, be independent non-executive directors; and (iv) to the extent reasonably practicable, each member of the senior management of the Company as at Admission shall remain in a leadership position within the Company for a period of eight years following Admission. Emaar Properties will not seek to employ any of the senior management of the Company.

Emaar Properties agrees to provide certain shared services to the Company for a period of three years following Admission. In consideration for the provision of such services, the Company shall pay an annual management services fee to Emaar Properties equal to 3 per cent. of the Company's total annual revenue.

The Company shall have an option to acquire any future development assets owned by Emaar Properties or any of its affiliates, whether alone or as part of a joint venture with a third party, whether such assets are identified at Admission or afterwards.

The price payable by the Company for a relevant development asset (the "Purchase Price") shall be determined by the agreement of the Company and Emaar Properties as to the Fair Market Value (as defined in the Relationship Agreement) of the relevant asset, failing which the Purchase Price should be determined by taking the average of two independent property valuations carried out by two internationally reputable property valuation firms (which are jointly appointed by the Company and Emaar Properties), provided that the Purchase Price shall not be lower than any purchase cost incurred by Emaar Properties. The Purchase Price and the overall terms of the acquisition shall require the approval of the Board of the Company (including the approval of the majority of the independent non-executive directors).

The Relationship Agreement will not impose restrictions on the Company's activities; the Company will be free to acquire assets at any stage of development from third parties, and to develop assets itself.

Emaar Properties shall make available to the Company a revolving credit facility of up to US$300,000,000 in accordance with the terms of the Relationship Agreement (the "Credit Facility"). The Company shall use the Credit Facility for the purposes of meeting its cashflow requirements from time to time. The rate of interest payable by the Company to Emaar Properties for each loan granted by Emaar Properties under the Credit Facility (each a "Loan") is: (i) in respect of any Loan with a term of three years or shorter, 3-month LIBOR plus 1.4 per cent. per annum; or (ii) in respect of any Loan with a term longer than three years, 3-month LIBOR plus 2 per cent. per annum.

The Board believes that the terms of the Relationship Agreement will enable the Company to carry on its business independently from the Selling Shareholder and its affiliates, and to ensure that all transactions and relationships between the Company and the Selling Shareholder are, and will be, at arm's length and on a normal commercial basis.

Master Transfer Agreement

The Company entered into a master transfer agreement with Emaar Properties, dated 29 September 2017 as amended (the "Master Transfer Agreement"), in relation to the transfer of Emaar Properties' UAE real estate development business (the "Business") to the Company.

In accordance with the terms of the Master Transfer Agreement, Emaar Properties transferred to the Company (or procured the transfer by applicable members of its group to the Company of) all assets and liabilities relating to the Business, including, without limitation, certain plots of land, contracts, joint venture arrangements, intellectual property rights, and employees, in each case with effect from 1 September 2017. Pursuant to the Master Transfer Agreement, Emaar Properties has assigned its rights to BTS profits under the existing joint development agreement relating to Dubai Creek Harbour to the Company and has undertaken to pay the amount of any such BTS profits released from the RERA escrow accounts to the Company on a quarterly basis (whether or not such BTS profits have been released from the bank accounts of the joint venture SPV and distributed to Emaar Properties).

To the extent that any assets of the Business have not validly been transferred to the Company under the terms of the Master Transfer Agreement (or any other documents entered into pursuant thereto), Emaar Properties agrees to (or agrees to procure that any relevant member of its group shall) continue to hold such assets for the benefit of the Company and manage such assets in accordance with the directions of the Company until such time as it has validly transferred such assets to the Company.

In addition to setting out the terms of the transfer of the Business, the Master Transfer Agreement also sets out terms agreed between the Company and Emaar Properties in relation to the development of the projects that form part of the Business, the ownership of units within such projects on completion of development and the ongoing allocation of development costs and infrastructure costs.

The Master Transfer Agreement includes indemnities from the Company to Emaar Properties against any liabilities assumed by the Purchaser under the terms of the Master Transfer Agreement and against any losses suffered by Emaar Properties arising from the conduct of the Business by the Company following 1 September 2017.

Master Development Agreement

The Company entered into a master development agreement with Emaar Properties, dated 16 October 2017 (the "Master Development Agreement"), setting out the terms on which the Company shall provide development services to Emaar Properties in respect of infrastructure and BTL / BTO development (the "Development Services").

In accordance with the terms of the Master Development Agreement, the Company shall provide the Development Services to Emaar Properties for a period of ten years, with effect from 1 September 2017, or such other term as the parties otherwise agree in writing. The Company and Emaar Properties agree that the Development Services shall be provided exclusively by the Company, provided that the Company may instruct any suitably experienced and qualified group company or third party to perform the Development Services on its behalf.

Pursuant to the Master Development Agreement, the Company shall be liable for all infrastructure costs and development costs relating to BTS development and Emaar Properties shall be liable for all infrastructure costs and development costs relating to BTL/BTO development.

In consideration for the Company providing the Development Services to Emaar Properties under the Master Development Agreement, Emaar Properties shall pay to the Company a quarterly development fee in an amount equal to 0.5% of the BTL/BTO related development costs incurred during the relevant quarter.

IP Licence Agreement

The Company entered into a trade mark licence agreement with Emaar Properties, dated 4 October 2017 (the "IP Licence Agreement") in relation to certain brand names, trade marks and other intellectual property rights owned by Emaar Properties and relating to the business (the "IP Rights").

In accordance with the terms of the IP Licence Agreement, Emaar Properties has granted to the Company: (i) a non-exclusive licence to use and apply the IP Rights worldwide; and (ii) a non-exclusive licence to use the trade mark 'EMAAR' and to register such trade mark with the relevant authorities worldwide and as part of any domain name, in each case with effect from 1 September 2017 and until the agreement is terminated by mutual agreement between the parties.

In consideration for Emaar Properties granting these licences to the Company, the Company has agreed to pay to Emaar Properties an annual fee of AED 1, payable on 1 September each year.

Under the terms of the IP Licence Agreement, all proprietary rights, titles and interests in or to the IP Rights remain the exclusive property of Emaar Properties.

Joint Venture Agreements

Dubai Hills Estate

Emaar Properties entered into a shareholders' agreement with Meraas Estates LLC ("Meraas Estates") dated 8 June 2013 and amended on 19 November 2013 (the "Dubai Hills Shareholders' Agreement") in relation to the establishment of a joint venture company, Dubai Hills Estate LLC (the "Dubai Hills JVCo"), to be owned by Emaar Properties and Meraas Estates in equal shares.

Emaar Dubai LLC ("Emaar Dubai"), an affiliate of Emaar Properties, entered into a development services agreement with the Dubai Hills JVCo dated 4 December 2013 and amended on 8 May 2017 (the "Dubai Hills DSA") in relation to the development of a mixed use real estate project consisting of a residential community, commercial and retail spaces, hospitality, healthcare and educational facilities, branded recreational facilities, including polo fields and/or club and community, golf course community and/or club and its support services, utility services, common areas and open spaces (the "Dubai Hills Project").

On 22 October 2017, the Company entered into a deed of implementation, novation, amendment and restatement with, amongst others, Emaar Properties, Meraas Estates, Meraas Venture LLC ("Meraas Venture") and Emaar Dubai LLC (the "Dubai Hills Implementation Agreement") in relation to (amongst other things) the transfer of Emaar Properties' interest in the BTS portion of the Dubai Hills Project to the Company, the transfer of Meraas Estates' interest in the BTS portion of the Dubai Hills Project to Meraas Venture and the novation, amendment and restatement of the Dubai Hills Shareholders' Agreement and the Dubai Hills DSA.

Under the Dubai Hills Implementation Agreement: (i) Emaar Properties agreed to transfer all of its shares in the Dubai Hills JVCo to the Company and to novate the Dubai Hills Shareholders' Agreement to the Company; (ii) Meraas Estates agreed to transfer all of its shares in the Dubai Hills JVCo to Meraas Venture and to novate the Dubai Hills Shareholders' Agreement to Meraas Venture; (iii) Emaar Properties and Meraas Venture agreed to incorporate, as equal shareholders, three additional joint venture companies (the "New Dubai Hills JVCos"); and (iv) Emaar Dubai, as developer of the Dubai Hills Project, agreed to novate the Dubai Hills DSA to the Company. Emaar Properties has agreed to guarantee the performance of the Company's obligations under the Dubai Hills Shareholders' Agreement and the Dubai Hills A&R SHA (as defined below) once it becomes effective.

The parties to the Dubai Hills Implementation Agreement have agreed to transfer (or procure the transfer of) all of the assets of the Dubai Hills JVCo and related operations, save for the BTS assets, to the New Dubai Hills JVCos such that the Dubai Hills JVCo retains only the BTS assets relating to the Dubai Hills Project (and certain related assets).

On completion of the incorporation of the New Dubai Hills JVCos (and concurrently with execution of shareholders' agreements in respect of the New Dubai Hills JVCos on terms substantially the same as the Dubai Hills A&R SHA (as defined below)) the Company and Meraas Venture will enter into an amended and restated shareholders' agreement (the "Dubai Hills A&R SHA") in relation to the Dubai Hills JVCo, and the Company and Dubai Hills JVCo will enter into an amended and restated development services agreement (the "Dubai Hills A&R DSA") to, amongst other things, reflect the planned transfer of assets of Dubai Hills JVCo.

Under the terms of the Dubai Hills A&R SHA, Meraas Venture will have contributed the land required for the development of the Dubai Hills Project and the Company will fund the development of the BTS portion of the Dubai Hills Project.

The Dubai Hills A&R SHA will state that any profits generated from the BTS portion of the Dubai Hills Project are shared equally between Meraas Venture and the Company.

Under the Dubai Hills A&R SHA, the board of directors of the Dubai Hills JVCo will contain three appointees by the Company and three appointees by Meraas Venture. All decisions of the board of directors are to be approved by a majority of members attending a meeting, including at least one director appointed by the Company and one director appointed by Meraas Venture.

The Dubai Hills A&R SHA may be terminated in the event that either: (i) Meraas Venture and the Company agree in writing whether following a deadlock matter of the board of directors or otherwise; (ii) the Dubai Hills JVCo is wound up; or (iii) an event of default occurs and the non-defaulting party requests to liquidate the Dubai Hills JVCo.

Under the Dubai Hills A&R DSA, the Company will provide certain development services to the Dubai Hills JVCo in exchange for a fee.

The Dubai Hills A&R DSA terminates on the handover of the Dubai Hills Project or as agreed between the parties. The Dubai Hills A&R DSA may also be terminated by Dubai Hills JVCo serving a termination notice on the Company, in circumstance where the Company commits a material breach which remains un-remedied for sixty (60) days, or where the Company is wound up.

The Dubai Hills A&R DSA and the Dubai Hills A&R SHA are governed by the laws of the United Arab Emirates as applied in the Emirate of Dubai.

Emaar South (1)

On 5 December 2013, Emaar Properties entered into a memorandum of understanding with Dubai Aviation City Corporation ("DACC") in relation to the establishment a joint venture company, Emaar Dubai South DWC-LLC (the "Emaar South JVCo"), to be owned by Emaar Properties and DACC in equal shares.

Emaar Properties and DACC entered into a joint development agreement (the "Emaar South (1) JDA") in relation to the development of the Dubai South Golf District as a mixed use development, including a gated community of luxury villas, low-rise residential accommodation, hotel, commercial and retail spaces, hospitality, healthcare, educational facilities, branded recreational facilities, sites for one or more Mosques, one 18 hole golf course with a driving range, other practice facilities and a club house, and a reserved area connecting the newly developed golf course to an existing 18 hole golf course outside the development (the "Emaar South (1) Project").

On 17 October 2017, the Company entered into a deed of implementation, novation, amendment and restatement with, among others, Emaar Properties and DACC (the "Emaar South (1) Implementation Agreement") in relation to the transfer of Emaar Properties' interest in the BTS portion of the Emaar South (1) Project to the Company and the novation, amendment and restatement of the Emaar South (1) Project of the Emaar South (1) JDA.

Under the Emaar South (1) Implementation Agreement, Emaar Properties agreed to transfer its shares in the Emaar South JVCo to the Company and to novate the Emaar South (1) JDA to the Company. Emaar Properties and DACC agreed to incorporate, as equal shareholders, an additional joint venture company (the "New Emaar South JVCo") and the parties to the Emaar South (1) Implementation Agreement have agreed to transfer (or procure the transfer of) all of the assets of the Emaar South JVCo save for the BTS to the New Emaar South JVCo such that the Emaar South JVCo retains only the BTS assets relating to the Emaar South (1) Project.

In order to give effect to the Emaar South (1) Implementation Agreement, the Company and DACC will enter into an amended and restated joint development agreement (the "Emaar South (1) A&R JDA") in relation to the Emaar South JVCo. Emaar Properties and DACC will enter into a joint venture agreement with respect to the New Emaar South JVCo.

Under the terms of the Emaar South (1) A&R JDA, DACC will hold the land relating to the BTS portion of the Emaar South (1) Project on behalf of the Emaar South JVCo for the development of the Emaar South (1) Project and the Company will fund the development of the BTS portion of the Emaar South (1) Project.

The Emaar South (1) A&R JDA will state that any profits generated from the BTS portion of the Emaar South (1) Project are shared equally between DACC and the Company, after settling any capital loans borrowed by the Emaar South JVCo and any amounts due to DACC in relation to land of the BTS portion of the Emaar South (1) Project.

Under the Emaar South (1) A&R JDA, the board of directors of the Emaar South JVCo will contain three appointees by the Company, three appointees by DACC and one appointee chosen jointly by the Company and

DACC. All decisions of the board of directors will be approved by at least one director appointed by the Company and one director appointed by DACC.

Under the Emaar South (1) A&R JDA, the Company will also provide certain development services to the Emaar South JVCo and the New Emaar South JVCo. In consideration for the provision of such development services to the Emaar South JVCo, the Company will receive a fee, not to exceed an aggregate amount of AED300 million, equivalent to 1.5% of the income generated by the Emaar South (1) Project and 1.5% of the profit (prior to payment of such services) generated by the Emaar South (1) Project.

The Emaar South (1) A&R JDA may, when signed, be terminated in the event: (i) DACC and the Company agree in writing; (ii) the Emaar South JVCo is wound up; (iii) either of DACC or the Company acquires all the shares in the Emaar South JVCo held by the other shareholder; or (iv) an event of default occurs and the non-defaulting party requests to sell or purchase all of the shares in Emaar South JVCo.

The Emaar South (1) A&R JDA will be governed by the laws of the United Arab Emirates as applied in the Emirate of Dubai.

Zabeel Square

Emaar Properties entered into a joint venture agreement with Meraas Zabeel Owned By Meraas Venture One Person Company LLC ("Meraas Zabeel") dated 9 January 2017 as amended on 31 January 2017, 20 February 2017, 31 March 2017 and 7 May 2017 (the "Zabeel Square JVA") in relation (amongst other things) to the establishment of a joint venture company, Zabeel Square LLC (the "Zabeel Square JVCo").

Emaar Dubai, an affiliate of Emaar Properties, entered into a development services agreement with the Zabeel Square JVCo dated 30 April 2017 (the "Zabeel Square DSA") in relation to the development of a mixed use development project in Zabeel including residential apartments, retail units and hotel(s) and serviced/branded apartments (the "Zabeel Square Project").

On 22 October 2017, the Company entered into a deed of implementation, novation, amendment and restatement with, amongst others, Meraas Zabeel and Emaar Dubai LLC (the "Zabeel Square Implementation Agreement") in relation to, amongst other things, the transfer of Emaar Properties' interest in the BTS portion of the Zabeel Square Project to the Company and the novation, amendment and restatement of the Zabeel Square JVA and the Zabeel Square DSA.

Under the Zabeel Square Implementation Agreement: (i) Emaar Properties agreed to transfer all of its shares in the Zabeel Square JVCo to the Company and to novate the Zabeel Square JVA to the Company; (ii) Emaar Properties and Meraas Zabeel agreed to incorporate, as equal shareholders, two additional joint venture companies (the "New Zabeel Square JVCos"); and (iii) Emaar Dubai, as developer of the Zabeel Square Project, agreed to novate the Zabeel Square DSA to the Company. Emaar Properties has agreed to guarantee the performance of the Company's obligations under the Zabeel Square JVA and the Zabeel Square A&R JVA (as defined below) once it becomes effective.

The parties to the Zabeel Square Implementation Agreement have agreed to transfer (or procure the transfer of) all of the assets of the Zabeel Square JVCo and related operations, save for the BTS assets, to the New Zabeel Square JVCos such that the Zabeel Square JVCo retains only the BTS assets relating to the Zabeel Square Project.

On completion of the incorporation of the New Zabeel Square JVCos (and concurrently with execution of shareholders' agreements in respect of the New Zabeel Square JVCos on terms substantially the same as the Zabeel Square A&R JVA (as defined below)) the Company and Meraas Zabeel will enter into an amended and restated joint venture agreement (the "Zabeel Square A&R JVA") in relation to the Zabeel Square JVCo, and the Company and Zabeel Square JVCo, will enter into an amended and restated development services agreement (the "Zabeel Square A&R DSA") to, amongst other things, reflect the transfer of assets of Zabeel Square JVCo.

Under the terms of the Zabeel Square A&R JVA, Meraas Zabeel will have contributed the land of the Zabeel Square Project and the Company will fund the development of the BTS portion of the Zabeel Square Project.

The Zabeel Square A&R JVA will state that any profits generated from the BTS portion of the Zabeel Square Project are shared equally between Meraas Zabeel and the Company.

Under the Zabeel Square A&R JVA, the board of directors of the Zabeel Square JVCo will contain two appointees by the Company and two appointees by Meraas Zabeel. All decisions of the board of directors are to be approved by a majority of members attending a meeting, including at least one director appointed by the Company and one director appointed by Meraas.

The Zabeel Square A&R JVA may, when signed, be terminated in the event: (i) Meraas Zabeel and the Company agree in writing; (ii) the Zabeel Square JVCo is wound up; or (iii) an event of default occurs and the non-defaulting party exercises its right to sell all of its shares in the Zabeel Square JVCo to a third party or to purchase all of the shares of the defaulting party in the Zabeel Square JVCo or to otherwise terminate the agreement.

Under the Zabeel Square A&R DSA, the Company agrees to provide certain development services to the Zabeel Square JVCo, in exchange for a fee.

The Zabeel Square A&R DSA terminates on the handover of the Zabeel Square Project or as agreed between the parties. The Zabeel Square A&R DSA may also be terminated by either party serving a termination notice on the other, in circumstances where the other party commits a material breach which remains un-remedied for thirty (30) days.

The Zabeel Square A&R DSA and the Zabeel Square A&R JVA are governed by the laws of the United Arab Emirates as applied in the Emirate of Dubai.

PRINCIPAL AND SELLING SHAREHOLDER

Shareholder

The following table sets forth our shareholders (i) immediately prior to the conversion of the Company into a public joint stock company with a total share capital of 4,000,000,000 shares of AED1.00 each and (ii) immediately following the Global Offering and conversion:

	Prior to conversion		Immediately following the Global Offering and conversion	
	Number of Shares	Percentage	Number of Shares	Percentage
Shareholders				
Emaar Properties	3,960,000,000	99%	3,160,000,000	79%
Emirates Property Holdings Limited	40,000,000	1%	40,000,000	1%
Public	0	0%	800,000,000	20%
Total	4,000,000,000	100%	4,000,000,000	100%

No holder of Shares has voting rights that differ from those of any other holders of Shares. As of the date of this Prospectus, the Company is not aware of any arrangements that may result in a change in control of the Company.

Selling Shareholder

Emaar Properties, which is listed on the DFM, is a global property developer and provider of premium lifestyles, with a significant presence in the Middle East, North Africa and Asia, and is one of the largest real estate developers in the GCC. As of 30 June 2017, Emaar Properties had total assets of nearly U.S.$27 billion and a land bank of more than 2 billion square feet in key international markets including the UAE.

With a proven track record in delivery, Emaar Properties has handed over 37,500 residential units in Dubai and other global markets since 2001. Emaar Properties has over 8.5 million square feet of recurring revenue generating assets, and 17 hotels and resorts, with over 3,400 rooms. In the first six months of 2017, over 60 per cent. of the company's revenues came from its shopping malls and retail and hospitality and leisure subsidiaries and international operations.

Burj Khalifa, the world's tallest building, and the Dubai Mall, the world's largest shopping and entertainment mall by gross built-up area, are among Emaar Properties' trophy developments.

DESCRIPTION OF SHARE CAPITAL

Conversion

The Company is in the process of being converted from a limited liability company to a public joint stock company in the Emirate of Dubai, United Arab Emirates, pursuant to Federal Law No. 2 of 2015 concerning commercial companies, as amended (the "Companies Law"). Completion of the conversion process and incorporation of the Company as a public joint stock company is expected to occur on or before 21 November 2017, subject to obtaining all relevant regulatory approvals in the UAE and subject to the constitutive general assembly of the Company (see below) approving such conversion. The Company is expecting to receive, prior to such conversion, an exemption from Article 275(3) of the Companies Law, which states that conversion of the Company into a public joint stock company is conditional on the Company making net operational profits of no less than 10 per cent. of its share capital within the two financial years prior to conversion.

All prospective investors must note that the notice for convening the constitutive general assembly of the Company ("Constitutive General Assembly") is served pursuant to this Prospectus. Please see "*—Notice of Constitutive General Assembly*". The Constitutive General Assembly meeting will take place at 9.00 a.m. (UAE time) on 20 November 2017 at The Address Hotel Dubai.

All investors are invited pursuant to the notice to attend the Constitutive General Assembly on the date set out above. Successful investors will be notified of their allocation of Shares (if any) prior to the Constitutive General Assembly. In all cases, all investors will be entitled to attend the meeting on production of a copy of the investor's corporate registration documents, the original passport copy of the investor's representative and the original power of attorney or proxy pursuant to which the investor's representative is authorised to attend the meeting which is notarised by a notary public in the UAE and/or attested by the relevant UAE embassy and legalised by the UAE Ministry of Foreign Affairs. All such investors will be entitled to attend and vote on the resolutions but only the votes of investors who have been allocated Shares will be counted. Each Selling Shareholder will be entitled to attend and vote at the meeting. Any investor attending and voting at that meeting shall have a number of votes equivalent to the number of Shares that are allocated to such investor, following allocation.

Share Capital

Set out below is a summary of certain information concerning the shares, certain provisions of our Articles of Association (the "Articles") to be adopted with effect from, and conditional upon, Admission, and certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

Our Share Capital

On incorporation as a limited liability company on 2 April 2003, our share capital was AED300,000 divided into 300 Shares of AED1,000 each.

On 17 October 2017, we increased our share capital to AED4,000,000,000 divided into 4,000,000,000 Shares of AED1.00 each, by conversion of shareholders' contribution into share capital.

The Selling Shareholder will offer 20 per cent. of the Company's share capital for sale as part of the Global Offering.

Our Memorandum and Articles of Association

The following is a summary of the rights under our Articles and the Companies Law which attach to the existing Shares, with which the offered Shares will rank *pari passu* in all respects.

In the following description of the rights attaching to the Shares, a holder of Shares and a shareholder is, in both cases, the person registered in the Company's register of shareholders as the holder of the relevant shares.

Objective

As set out in Article 4 of the Articles, the principal business activities of the Company are real estate development, buying and selling real estate and the leasing and managing of self-owned property.

The Company is authorised to carry out its activities anywhere in the world and to do such things as may be necessary to achieve its objectives in the manner set out in the Articles.

Shares

All Shares rank in all respects equally with all other Shares of the same class. Shares are indivisible, but two or more persons may jointly hold one or more Shares, provided they are represented before the Company by one person only. Joint holders of one Share are responsible jointly for the obligations arising from such Share.

Each Share shall give its holder equal rights in the Company's assets and dividends as well as rights to vote at the general assembly of shareholders on a one-share-one-vote basis.

Share Register

Upon listing on the DFM, the Shares will be dematerialised and the share register will be maintained by the DFM.

The Shares may be sold, transferred, pledged, or otherwise disposed of in accordance with the provisions of the Articles and the applicable regulations for selling, purchasing, clearing, settling and recording.

Deceased Shareholders

In the event of a death of a shareholder, his/her heirs shall be the only persons having rights or interests in the shares of the deceased shareholder. Such heir shall be entitled to dividends and other privileges which the deceased shareholder had. Such person, after being registered in the Company in accordance with these Articles, shall have the same rights as a shareholder as the deceased shareholder had in relation to such Shares. The estate of the deceased shareholder shall not be exempted from any outstanding obligation relating to any Share held by him or her at the time of death.

Any person who becomes entitled to rights to Shares in the Company as a result of the death or bankruptcy of any shareholder, or pursuant to an attachment order issued by any competent court of law, should within 30 days:

- produce evidence of such right to the Board; and
- select either to be registered as a shareholder or to nominate another person to be registered as a shareholder of the relevant Share(s).

Changes in Share Capital

The Company may by way of a special resolution at an extraordinary general assembly:

- increase its share capital by creating new shares;
- increase the nominal value of its shares; and
- sub-divide all or any of its shares into shares of a smaller amount, provided that the minimum par value per share is AED1.

The Company may, in accordance with the Companies Law, reduce its share capital in any way and on such terms as it may decide.

The increase of capital may take place in one of the following ways: (i) the issuing of new shares; (ii) the merging of the reserve into the share capital; or (iii) the conversion of debentures into shares. New shares shall be issued with a nominal value equal to the nominal value of the original shares.

The general assembly by way of a special resolution may resolve to add a premium to the nominal value of the shares and specify its amount, provided that the approval of the SCA is obtained. This premium should be contributed to the legal reserves even if it will result in exceeding half of the share capital.

Dividends

Subject to the provisions of the Companies Law and the approval of the SCA, the Company may by ordinary resolution, and based on a recommendation from the Board, declare dividends payable to the shareholders. Dividends due on Shares shall be paid to the holder of those Shares registered in the share register on the 10th day following the date of convening the ordinary general assembly which resolved to distribute the dividends. Only that shareholder shall have the right to the profits due on those shares whether these profits represent dividends or entitlement to a part of the Company's assets.

The Company may pay dividends out of the annual net profits of the Company as determined by the Company's auditors, after deducting 10 per cent. of the annual net profits and allocated to the legal reserve.

Such deduction shall cease to occur when the total amount of the reserve is equal to at least 50 per cent. of the share capital of the Company. If the legal reserve falls below this threshold, the Company will be required to resume deductions.

Transfer of Shares

The Articles provide that the transfer of Shares shall be governed by and shall comply with the regulations applicable to companies listed on the DFM. The Shares may be sold, transferred, pledged or otherwise disposed of in accordance with the Articles. Transfers made other than in accordance with the Articles shall be void.

The transfer of Shares shall at all times be subject to the requirement for GCC nationals to hold at least 51 per cent. of the share capital of the Company.

General Meetings

Annual General Assembly

An annual general assembly will be held at least once a year, within four months of the end of the financial year. The annual general assembly shall consider matters such as:

- the report prepared by the Board of Directors in respect of the activity and the financial position of the Company during the year, the auditor's report and their ratification;
- the Company's balance sheet and the profit and loss account;
- election of the members of the Board, if necessary;
- appointment of the auditors and determination of their remuneration;
- the proposals of the Board of Directors concerning the distribution of profits, whether in cash or bonus shares;
- the proposals of the Board of Directors concerning the remuneration of the members and the determination of such remuneration;
- the discharge or dismissal of the members of the Board of Directors or, as the case may be, filing a liability lawsuit against them; and
- discharge or dismissal of the auditors or, as the case may be, filing a liability lawsuit against them.

At least 15 days' notice must be given of an annual general assembly. The quorum for the annual general assembly is the attendance of shareholders representing at least 50 per cent. of the share capital of the Company. If a quorum is not present at the first meeting, the general assembly shall be adjourned to another meeting to be held at least five days, but not more than 15 days following the date of the first meeting. A quorum at the adjourned meeting will be valid regardless of the number of shareholders attending.

The shareholders may also require the Board to convene a meeting if it is requested by a number of shareholders holding not less than 20 per cent. of the Company's issued share capital.

Any resolution adopted by the general assembly without consideration to the Company's interests in favour of a particular group of shareholders which causes damage to the Company or provides a private benefit to the members of the Board or to third parties may be revoked. The judgment annulling a resolution of a general assembly shall consequently lead to the resolution being considered as non-existent vis-à-vis all shareholders. The Board of Directors must publish the annulment judgment in two local daily newspapers published in the Arabic language. Proceedings for annulment are time barred on the expiry of one year from the date of adopting the resolution contested. Initiating the proceedings will not prevent the implementation of the resolution unless the court decides otherwise.

Special Resolution

A special resolution will be required to approve matters other than those considered in ordinary general assemblies, such as:

- an increase or reduction of the share capital;
- the dissolution of the Company or its merger with another company; and
- any amendment to the Articles.

Special resolutions are passed by at least 75 per cent. of shares represented in the general assembly meeting, including the resolution relating to the increase or decrease of the share capital of the Company; to extend or shorten the Company's duration; to liquidate the Company prior to the predetermined date in the Articles; or to merge the Company into another company or to convert it.

The Board

According to the Articles, the Company shall be managed by a Board of seven members. The members of the Board are to be elected by way of secret cumulative voting during an ordinary general assembly. The first Board will be appointed by the Selling Shareholder for a period of three years commencing on the date of incorporation. At least half, although not the majority, of the Board must be UAE nationals based on the Company being exempt from Article 100 of the Companies Law. However, the chairman of the Board must be a UAE national.

All Board members shall hold a term of three years and can be re-elected upon expiry of such period. If a position becomes vacant during the term of the Board, then the Board may appoint a new member so long as such appointment is presented to the next ordinary general assembly meeting following such appointment for ratification or to appoint/elect a replacement. Such new Board member shall complete the term of his predecessor. If the positions becoming vacant exceed one quarter of the number of the Board then the Board must call for an ordinary general assembly to fill the vacant positions within a maximum of three months from the date on which the last position on the Board became vacant. In all cases, the Board will fill all vacancies and the Directors shall complete the term of his or her predecessor and such Director may then be re-elected in the ordinary general assembly.

Appointment of the Board

The Board of Directors shall elect from among its members a chairman and a vice-chairman. The chairman represents the Company before the courts and executes resolutions adopted by the Board of Directors. The vice-chairman shall act on behalf of the chairman in his or her absence or incapacitation. The Board may elect a managing director and determine his duties and remuneration. The Board may also form one or more committees from its members to manage the business performance of the Company, execute resolutions issued by the Board of Directors and other objectives of the Board.

If a Director is absent for more than three successive Board meetings without an excuse approved by the Board, such Director shall be deemed to have resigned.

Powers of the Board

The chairman, vice-chairman, managing director or any other authorised Board member acting within the powers granted to him by the Board may severally sign on behalf of the Company.

The Board shall have all the powers to manage the Company and shall have the authority to perform all deeds and act on behalf of the Company to the extent permitted by the Company. Such powers and authorities may only be restricted by the provisions of the Companies Law, the Articles or as resolved by the shareholders in a general assembly.

Board Meetings

The Board shall hold its meetings at the head office of the Company, or at any other place agreed by the Board. Meetings shall not be valid unless attended by a majority of the Board. A Director may appoint another Director to vote on his or her behalf and the appointee will have two votes, but a Director may not act on behalf of more than one Director. Resolutions are adopted by a majority of the votes of the Directors present or represented, and, in case of a tie, the chairman or the person acting on behalf of the chairman shall have a casting vote.

Details of the items discussed at meetings of the Board or its committees and decisions thereof, including any reservations or any dissenting opinions, shall be recorded in the minutes of such meetings, provided that all the Directors present at the meeting sign the draft minutes prior to endorsement. Copies of the minutes shall be sent to the Directors following endorsement for their records. The minutes of the meetings or committees shall be kept with the secretary of the Board. If a Director refuses to sign the minutes, his or her refusal, with reasoning for the refusal to sign the minutes, will be noted in the minutes.

Directors' Interests

In the event that a Director has a conflict of interest with respect to a specific matter included in the agenda for consideration by the Board, the conflicted Director must disclose the interest to the Board and, if the Board determines such conflict of interest to be material, the conflicted Director may not vote on the matter in which he or she is conflicted.

Liability of the Board

The Directors shall not be personally liable or obliged for the liabilities of the Company as a result of the performance of their duties, provided that the Directors have not exceeded their authority. The chairman and the Board shall be held liable towards the Company, shareholders and third parties for all acts of fraud, abuse of their delegated powers and for any breach of the Companies Law or the Articles.

Directors' Remuneration

Pursuant to Article 169 of the Companies Law, the Articles shall state the method of calculating the remuneration of the members of the Board, provided that it shall not exceed 10 per cent. of the net profits of the most recent financial year after deducting all the depreciations and reserves. The penalties imposed on the Company for contravention by the Board of Directors of the Law or the Articles during the most recent financial year shall be deducted from the remuneration of the Board of Directors.

Liquidation Rights

The Company is incorporated for a 99 year term, which is renewable automatically for similar consecutive terms unless a special resolution at a general assembly is issued to dissolve the Company.

The Company shall cease to exist upon the occurrence of any of the following events: (i) the expiry of the specified term of the Company, unless it is renewed in accordance with the provisions set out in the Articles; (ii) the issue of a special resolution of the general assembly to dissolve the Company; and (iv) the merger of the Company with another company.

In the event that the Company incurs losses amounting to at least half the capital of the Company, the Board shall call for a general assembly to consider whether the Company should continue or be dissolved.

Immediately upon the general assembly approving the Company's dissolution, the Company shall be considered to be in liquidation.

The liquidation shall be performed by one or more liquidators appointed by the general assembly with a simple majority vote required to approve such shareholder resolution. If the Company is liquidated pursuant to a court judgment, the court should specify the method of liquidation and appoint the liquidator.

The Company funds resulting from the liquidation should be distributed amongst the shareholders after settling the Company's debts. Each shareholder shall, at the time of distribution, receive an amount equal to the value he or she had contributed to the share capital of the Company.

The remaining Company funds shall be distributed amongst the shareholders proportionately to their shareholding.

If the net assets of the Company are insufficient to cover the payment of all the shareholders' contribution to the share capital of the Company, the loss shall be distributed amongst them in proportion to their shareholding.

Form of Notices and Communications

Unless the Articles expressly require otherwise, any notice, document or information to be sent or supplied by the Company to shareholders (including forms of appointment of a proxy and copies of the Company's annual accounts) may be sent or supplied in hard copy form, in electronic form (for example, by email or facsimile) or by means of the Company's or another website.

Notice of Constitutive General Assembly

The notice set out below is relevant for all investors which have been allocated Shares. It calls for convening the Constitutive General Assembly meeting at the date, time and place set out in the notice. All investors are entitled to attend and vote at such meeting. Any voting rights of any investor attending the General Assembly meeting shall correspond to the number of Shares such investor receives following the allotment process.

Notice of Constitutive General Assembly meeting

Date: / /2017

Dear Sir or Madam,

Thank you for applying to purchase shares in Emaar Development PJSC (a public joint stock company, under incorporation in the Emirate of Dubai, United Arab Emirates) ("Company").

This is to notify you that in accordance with Article (131) of the UAE Commercial Companies Law No. 2 of 2015 and its amendments, the Founders Committee of the Company are pleased to invite you to attend the first meeting of the constitutive general assembly which will be held at The Address Hotel Dubai at 9.00 a.m. on 20 November 2017.

If the required quorum for the first meeting is not present, a second meeting will be held at the same venue on 26 November 2017 at 9.00 a.m.

The constitutive general assembly is valid with the attendance of shareholders or their representatives holding 50 per cent. or more of the shares of the Company and the assembly will be chaired by the person elected by the assembly from among the founders.

The agenda of the constitutive general assembly is as follows:

1. Reviewing and ratifying the founders committee's report in respect of the incorporation of the Company and its related expenses.
2. Approving the Memorandum of Association and Articles of Association of the Company.
3. Approving the appointment of the first Board of Directors for three years as per article 23 of the Articles of Association of the Company.
4. Approving the appointment of the Company's auditor.
5. Announcing the incorporation of the Company.

The Founders and all persons to whom shares in the Company have been allocated may attend the meeting in person or through an authorised representative. Each shareholder shall have a number of votes equal to the number of shares he/she owns. In the event a representative of the shareholder will attend, he/she must bring along a written proxy authorising his/her attendance on behalf of the original shareholder (attached is a sample proxy). It should be noted that if the proxy holder is not a shareholder, then the proxy needs to be notarised and the proxy holder should not be one of the Company's Board members; and the proxy holder should not be representing shares for more than one shareholder of a value that exceed 5 per cent. of the share-capital of the Company.

Any change in the dates above, will be announced through the local newspapers following receipt of approval from the Securities and Commodities Authority of the United Arab Emirates.

Should you attend in person, kindly bring your proof of identification (identification card, passport or proxy). If you are attending through an authorised representative, your original allotment letter, a certified copy of your passport and the original passport of your representative are required.

Yours faithfully,

Founding Committee

Form of Proxy

Proxy for Attending and Voting at the Constitutive General Assembly meeting of Emaar Development PJSC (Under Incorporation)

We/I, the undersigned , hereby appoint and authorise pursuant to this proxy Mr/Ms (The "Attorney") to attend the Constitutive General Assembly meeting of Emaar Development PJSC (Under Incorporation) on my/our behalf. The Attorney shall have the right to vote on all matters discussed in the meeting whether the meeting was held on its original date or postponed to any other date. The Attorney shall also have the right to sign all decisions and documents in this regard.

Signature:

____

Messers:

Date:

TAXATION

Certain U.S. federal income tax consequences

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Shares that are U.S. Holders and that will hold the Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as the estate and gift tax). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5 per cent. or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Shares by the partnership.

The summary assumes that the Company is not a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes for its current taxable year, which the Company expects to be the case. The Company's possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders. This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Dividends

General

Subject to the PFIC rules discussed below, distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally will be taxable to a U.S. Holder as dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Shares will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to dividends on the Shares.

Dividends Paid in AED

Dividends paid in AED will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the AED are converted into U.S. dollars at that time. If dividends received in AED are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Sale or other Disposition

Subject to the PFIC rules discussed below, upon a sale or other disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year.

A U.S. Holder's tax basis in a Share generally will be its U.S. dollar cost. The amount realised on a sale or other disposition of Shares for an amount in AED generally will be the U.S. dollar value of such amount on the settlement date of such sale or disposition, in the case of a cash basis U.S. Holder, or the trade date in the case of an accrual basis U.S. Holder. On the settlement date, an accrual basis U.S. Holder generally will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the trade date and the settlement date. However, in the case of Shares traded on an established securities market, an accrual basis U.S. Holder may elects to determine the U.S. dollar value of the amount realised based on the exchange rate in effect on the settlement date, and no exchange gain or loss will be recognised on such date. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Service (the "IRS").

Disposition of AED

AED received on the sale or other disposition of a Share will have a tax basis equal to the U.S. dollar value on the settlement date. AED that is purchased generally will have a tax basis equal to the U.S. dollar value of the AED on the date of purchase. Any gain or loss recognised on a sale or other disposition of a AED (including its use to purchase Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

If the Company is a PFIC in any year during which a U.S. Holder holds Shares, certain adverse U.S. federal income tax consequences may apply to the U.S. Holder. Based on the projected composition of the Company's income and valuation of its assets, including goodwill, the Company does not expect to be a PFIC for its current taxable year. However, the Company's possible PFIC status must be determined annually and depends on the composition of its income and assets, and the fair market value of its assets (including, among others, any less than 25% owned equity investments) from time to time, as well as on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Because the Company has valued its goodwill based on the projected market value of its equity, a decrease in the price of the Shares may also result in the Company becoming a PFIC. Accordingly, there can be no assurance that the Company will not be a PFIC for any taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds Shares, such U.S. Holder will be subject to special tax rules discussed below.

In general, a non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For purposes of the PFIC rules, "passive income" generally includes, among other things, dividends, interest, rents and royalties.

If the Company were to be a PFIC, U.S. Holders generally will be subject to special rules (regardless of whether the Company continues to be a PFIC) with respect to (i) any "excess distribution" (generally, any distributions received by the U.S. Holder on the Shares in a taxable year that are greater than 125 per cent. of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Shares) and (ii) any gain realised on the sale or other disposition of Shares. Under these rules (a) the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year.

Alternatively, if the Company is a PFIC and the Shares are "regularly traded" on a "qualified exchange", a U.S. Holder could make a mark-to-market election as to such Shares that would result in tax treatment different from the general tax treatment for PFICs described above. Shares will be marketable if they are regularly traded on a qualified exchange or other market, as defined in applicable US Treasury regulations. For these purposes, the Shares will be considered regularly traded during any calendar year during which they are traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded.

In some cases, a shareholder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by making a "qualified electing fund" election (a "QEF election") to be taxed currently on its share of the PFIC's undistributed income. The Company does not, however, expect to provide to U.S. Holders the information regarding this income that would be necessary in order for a U.S. Holder to make a QEF election with respect to its Shares.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Company is a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime.

Information Reporting and Backup Withholding

Payments of dividends and other proceeds with respect to Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Shares, including requirements related to the holding of certain "specified foreign financial assets".

UAE Corporate and Personal Taxation

The following comments are general in character and are based on the current applicable tax regime in the UAE and the current practice of the UAE authorities as at the date of this document. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

Taxation of the Company and Individuals

There is no corporate tax legislation at the federal UAE level. However, corporate tax legislation has been enacted in some of the Emirates (including Dubai) through their own decrees. These tax decrees are currently only enforced on foreign oil companies and branches of foreign banks. However, it should be noted that there is no guarantee that tax will not be enforced on other corporate entities at some time in the future since there is no specific legislation that grants an exemption from tax to entities which are not foreign oil companies and branches of foreign banks.

In accordance with the above practice, the Company is not currently subject to corporate income tax in the UAE.

There is currently no personal tax levied on individuals in the UAE.

Taxation of Purchase of Shares

Completion of the Global Offering is likely to be characterised for UAE tax purposes as a purchase of Shares by the shareholders. If a shareholder is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Global Offering may be characterised differently and may be subject to tax in that other jurisdiction.

There are no transfer taxes in the UAE on the purchase of shares. Accordingly, the purchase of Shares should not result in any UAE tax liabilities for shareholders who are individuals or corporations tax resident in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations.

Taxation of dividends and capital gains on sale

Based on the same practice outlined above, UAE resident shareholders who are not subject to tax in the UAE (i.e. they are not foreign oil and gas companies or a branch of a foreign bank) or jurisdictions outside the UAE (both corporate and individual), should not currently be taxed on the receipt of dividend income and gains on the future sale of the Shares.

There is currently no withholding tax in the UAE and, as such, any dividend payments made by the Company should be made free of UAE withholding tax, unless the applicable tax regime in the UAE changes.

Shareholders who are subject to tax in the UAE by virtue of being a foreign oil company or branch of a foreign bank, or who are tax resident in jurisdictions outside the UAE, as well as shareholders tax resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should consult their own tax advisers as to the taxation of dividend income and gains on the future sale of the Shares under the relevant applicable local laws in those jurisdictions and any applicable double tax treaties.

It is important to note that the UAE corporate tax treatment as set out above may be subject to change in the future. In this regard, a new corporate tax law was under discussion. However, the UAE Ministry of Finance has confirmed that no corporate tax will be introduced within the next few years.

UAE VAT

The UAE has announced the adoption of an excise tax, effective 1 October 2017, and a VAT, effective 1 January 2018. The excise tax will impose a 50 per cent. tax on carbonated beverages and a 100 per cent. tax on tobacco products and energy drinks. On 23 August 2017, the government published the VAT Law. The executive regulations of the VAT Law are expected to be announced before the end of 2017. The executive regulations are expected to provide more details about products and services that will be subject to VAT and whether particular products will be zero-rated or exempted. As per the VAT Law, the first sale of residential units by developers is zero-rated, provided that the sale takes place within three years from the date of completion of the unit in question. The executive regulations of the VAT Law are to provide more details and conditions about the parameters of such VAT treatment. The GCC VAT Framework Agreement, which is a country level agreement between all the GCC States, sets out broad principles that should be followed by all the GCC countries in their VAT laws while providing individual member states some discretion to adopt a different VAT treatment in respect of certain matters. Each GCC country will enact its own domestic VAT legislation based on the underlying principles in this common framework.

VAT will apply on the sale of goods and services in the UAE and on imports to the UAE. Unless the supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT, VAT will apply at the standard rate. The standard VAT rate will be 5 per cent.

There will be a mandatory registration threshold of AED375,000 and a voluntary registration threshold of AED187,500. Businesses must register for VAT if they have annual turnover that exceeds the mandatory registration threshold and an option to register for VAT will be available if the taxable supply and imports are below the mandatory registration threshold but exceed the voluntary registration threshold.

The supply of goods or services by VAT registered businesses will be subject to VAT at either the standard rate or zero rate. Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

The VAT Law is silent in relation to the treatment of transfer of shares; however, the expectation is that financial services and products such as the transfer of Shares should not be regarded as a supply for purposes of the VAT Law and hence no VAT should be applicable on any transfer, particularly in light of the fact that the Global Offering will be completed prior to the VAT Law coming into force.

The executive regulations of the VAT Law are expected to be issued before the end of 2017. The executive regulations will set out the scope of the VAT Law and the details about products and services that will be subject to VAT.

SUBSCRIPTION AND SALE

We, EFG Hermes Promoting & Underwriting, Emirates NBD Capital, FAB, Goldman Sachs and BofA Merrill Lynch (together, the "Underwriters") and the Selling Shareholder have entered into an Underwriting Agreement with respect to the Shares. Subject to the satisfaction of certain conditions set out in the Underwriting Agreement (described below), each Underwriter has agreed, severally but not jointly, to purchase or procure purchasers for such number of Shares as are set forth opposite its name in the following table.

	Number of Shares
Underwriter	
EFG Hermes Promoting & Underwriting	160,000,000
Emirates NBD Capital PSC	160,000,000
First Abu Dhabi Bank PJSC	160,000,000
Goldman Sachs International	160,000,000
Merrill Lynch International	160,000,000
Total	800,000,000

The Offer Price Range is AED5.70 to AED6.90 per Share. The Underwriters will receive an aggregate underwriting commission equal to 0.75 per cent. of the amount equal to the Offer Price Range multiplied by the aggregate number of Shares sold in the Global Offering.

In addition, the Underwriters may receive a discretionary fee of up to 0.75 per cent. of the amount equal to the Offer Price Range multiplied by the aggregate number of Shares sold in the Global Offering.

All expenses of the Global Offering will be borne by the Selling Shareholder.

Underwriting Agreement

In the Underwriting Agreement, the Company and the Selling Shareholder have made certain representations and warranties and agreed to indemnify the several Underwriters against certain liabilities, including liability under the Securities Act. The Underwriters are offering the Shares and when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, such as, the signing of a pricing memorandum, Admission and the receipt by the Underwriters of officers' certificates and legal opinions.

The Underwriters may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then this Global Offering will lapse.

Pricing of the Global Offering

Prior to this Global Offering, there has been no public market for the Shares. The Offer Price Range will be determined by negotiations between the Underwriters, the Selling Shareholder and us. Among the factors considered in determining the Offer Price Range following the bookbuilding process will be our future prospects and the prospects of our industry in general, our revenue, our net profit and certain other financial operating information with respect to us in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to ours.

Lock-up Arrangements

Pursuant to the terms of the Underwriting Agreement dated 2 November 2017, we have contractually agreed, for a period of 180 days after the Closing Date and the Selling Shareholder, which hold all of the Shares immediately prior to the Global Offering has contractually agreed for the Two Year Lock Up Period (as defined below), not to (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed.

The foregoing restriction will not apply to:

(i) the sale of Shares by the Selling Shareholder in the Global Offering;

(ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates (provided that the transferee agrees to comply with the foregoing restrictions and that such transfer occurs on terms and conditions that do not conflict with the Global Offering);

(iii) accepting a general offer made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(iv) taking up any rights granted in respect of a pre-emptive share offering by the Company;

(v) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company;

(vi) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholder, provided that any shares issued to or otherwise acquired by the Selling Shareholder pursuant to such capital reorganisation shall be subject to the restrictions of this clause; or

(vii) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority.

In addition, pursuant to the Companies Law, the Selling Shareholder is restricted from selling or transferring its Shares during the period commencing on the Closing Date and ending on the date on which the Company publishes its audited financial statements for the second financial year following the Closing Date (such period, the “Two Year Lock Up Period”).

Allocation

The Global Offering comprises the Qualified Investor Offering (including the Exempt Offer) and the UAE Retail Offer. The allocation of Shares among the Qualified Investor Offering (including the Exempt Offer), and the UAE Retail Offer will be determined by the Underwriters, the Selling Shareholder and us.

Pursuant to the Companies Law, the Emirates Investment Authority has the right to purchase up to 5 per cent. of the Shares.

Factors that may be taken into account by the Underwriters, the Selling Shareholder and us when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that we, the Underwriters and the Selling Shareholder may deem relevant.

Other relationships

Subject to the terms and conditions of the Underwriting Agreement, each of the Underwriters and any affiliate, acting as an investor for its own account, in connection with the Global Offering, may take up Shares and in that capacity may retain, purchase or sell for its own account such Shares and any related investments and may offer or sell such Shares or other investments otherwise than in connection with the Global Offering. Accordingly, references in this Prospectus to the Shares being offered or placed should be read as including any offering or placement of Shares to the Underwriters and any affiliate acting as an investor for its own account.

None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than to the Company and the Selling Shareholder and in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Global Offering, certain of the Underwriters may enter into financing arrangements with investors, such as share swap arrangements or lending arrangements where securities are used as collateral, that could result in such Underwriters acquiring shares in the Company.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Shares or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Shares have not been and will not be registered under the Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S. The Underwriting Agreement provides that certain of the Underwriters may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of the Shares within the United States only to a person who such Underwriter reasonably believes is a QIB purchasing for its own account or for the account of another QIB in reliance on Rule 144A.

In addition, until 40 days after the commencement of the Offering of the Shares, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from, or transaction not subject to, registration under the Securities Act.

United Kingdom

In the United Kingdom, this Prospectus is only addressed to and directed to Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). The securities described herein are only available in the United Kingdom to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, no Shares which are the subject of the Offering contemplated herein have been offered or will be offered to the public in that Relevant Member State, except that an offer of Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they are implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Underwriters for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by the Group or any Underwriter of a Prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospective Directive in a Relevant Member State, and each person who initially acquires any Shares or to whom any offer is made under the Offering will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Directive.

For the purposes of this provision, the expression an "offer of any Shares to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information of the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State; the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

In the case of any Shares being offered to a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale. The Company, the Selling Shareholder, the Underwriters and their respective affiliates, and others will rely (and the Company and the Selling Shareholder each acknowledge that the Underwriters and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Underwriters of such fact in writing may, with the consent of the Underwriters, be permitted to subscribe for or purchase Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that this Prospectus has not been approved by or filed with the UAE Central Bank, the UAE Securities or Commodities Authority (the "SCA") or any other authorities in the UAE, nor have the Underwriters received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that any of the Underwriters is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Shares may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 2 of 2015 (as amended) or otherwise.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Dubai International Financial Centre

The Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "DFSA"); and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Kingdom of Saudi Arabia

This Prospectus may not be distributed in the Kingdom of Saudi Arabia ("KSA"), except to such persons as are permitted under the Offers of Securities Regulations (the "Saudi Regulations") issued by the Board of the Capital Market Authority (the "Capital Market Authority") resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 3-151-2016 dated 21 December 2016.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the Shares should conduct their own due diligence on the accuracy of the information relating to the Shares. If a prospective purchaser does not understand the contents of this Prospectus, he or she should consult an authorised financial adviser.

The Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in the KSA other than to Sophisticated Investors within the meaning of Article 11 of the Saudi Regulations.

The offer of Shares in the KSA shall not, therefore, constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 18 of the Saudi Regulations places restrictions on secondary market activity with respect to the Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above stated jurisdictions shall not be recognised by us.

Lebanon

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Prospectus is aimed at institutions and sophisticated, high net worth individuals only, and this Prospectus will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Prospectus should pay particular attention to the section titled "Risk Factors" in this Prospectus. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Prospectus does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No. 1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Company is incorporated and existing under the laws of the UAE. The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Prospectus or for the performance of the Company with respect to the Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are "accredited investors".

For this purpose, an "accredited investor" means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Shares is being made in Kuwait, and no agreement relating to the sale of the Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

Jordan

Any marketing of the Shares to Jordanian investors shall be done by way of private placement only. The Shares are being offered in Jordan on a cross-border basis based on one-on-one contacts to no more than 30 potential investors and, accordingly, the Shares will not be registered with the Jordanian Securities Commission and a local prospectus in Jordan will not be issued.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "FIEL"). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance of prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares or the Global Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the Global Offering, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA"), and the offer of Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

Hong Kong

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Shares may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"). Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Shares, namely a person who is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Shares under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) pursuant to Section 276(7) of the Securities and Futures Act.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contain a misrepresentation, provided that the remedies of rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Global Offering.

TRANSFER RESTRICTIONS

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

United States

The Shares have not been and will not be registered under the Securities Act or under any applicable securities laws or regulations of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States.

Rule 144A

Each purchaser of the Shares within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that:

(i) It is (a) a qualified institutional buyer within the meaning of Rule 144A (a "QIB"), (b) acquiring such Shares for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Shares has been advised, that the sale of such Shares to it is being made in reliance on Rule 144A.

(ii) It is (a) a QIB within the meaning of Rule 144A, (b) acquiring such Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein, and (c) aware, and each beneficial owner of such Shares has been advised, that the sale of such Shares to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

(iii) It understands that such Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS SHARES.

The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S

Each purchaser of the Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Prospectus and the Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Shares were purchased will be, the beneficial owner of such Shares and (i) is, and the person, if any, for whose account it is acquiring the Shares is, outside the United States, (ii) is not an affiliate of the company or a person acting on behalf of such an affiliate, and (iii) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Shares from the company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware that such Shares: (i) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (ii) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Shares in an "offshore transaction" in reliance on Regulation S.
- The purchaser acknowledges that the Company, the Selling Shareholder and the Underwriters and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

SETTLEMENT AND DELIVERY

Trading of the Shares will take place through the trading system of the DFM. Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are Clearing Members. Settlement of securities trading on DFM is governed by the DFM's rules and regulations, which are available from its website www.dfm.ae.

Investors may be required to complete an application form for the Shares and return such form to the Joint Global Coordinators during the bookbuilding period. Application forms will be available from the Joint Global Coordinators.

Investors who receive an allocation of Shares will be required to deliver to the Joint Global Coordinators a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on or around 19 November 2017.

Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in either U.S.$ or AED, as specified by each purchaser to the Joint Global Coordinators during the bookbuilding process. Purchasers will be required to make full payment for the Shares to the Joint Global Coordinators for receipt by the Joint Global Coordinators two business days prior to the expected Closing Date. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges.

Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. There can be no assurance that such Shares will be credited to the NIN account of the relevant investor during trading hours of the DFM on the Closing Date and such investor may not be able to deal in the relevant Shares comprising its allocation in the Global Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for us by Linklaters LLP, London, England, Linklaters LLP, Dubai, UAE and Al Tamimi & Co, Dubai, UAE. Certain legal matters with respect to the Global Offering will be passed upon for the Joint Global Coordinators by Allen & Overy LLP, London, England and Allen & Overy LLP, Abu Dhabi, UAE.

INDEPENDENT AUDITORS

The consolidated financial statements of the Company as of and for the years ended 31 December 2014, 2015 and 2016 have been audited by Ernst & Young Middle East (Dubai Branch) ("EY") of P.O. Box 9267, Level 28 Al Saqr Business Tower, Sheikh Zayed Road, Dubai, UAE, as stated in their report appearing elsewhere herein. The unaudited interim condensed consolidated financial statements of the Company as of and for the nine months ended 30 September 2017 have been reviewed in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" by EY as stated in their review report appearing elsewhere herein.

With respect to the unaudited interim condensed consolidated financial statements of the Company as of and for the nine months ended 30 September 2017, EY reported that they have applied limited procedures in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". However, their report dated 17 October 2017, included herein, states that they did not audit and they do not express any audit opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

GENERAL INFORMATION

1. It is expected that the Shares will be admitted to trading on the DFM on 22 November 2017.

2. We have obtained all consents, approvals and authorisations in the UAE in connection with the Global Offering.

3. Copies of the following documents are available for inspection during usual business hours on any weekday (Fridays, Saturdays and public holidays excepted) for the life of this Prospectus at the registered offices of the Company:

   - the Articles;
   - the Financial Statements and the reports thereon from Ernst & Young Middle East, Dubai Branch set out under the heading "*Financial Statements*"; and
   - this Prospectus.

   The registered office of the Company is located at Building 3, Emaar Square, Downtown Dubai/P.O. Box 9440, Dubai, United Arab Emirates.

4. There has been no significant change in our financial or trading position since 30 September 2017, the date to which our Unaudited Interim Financial Statements were prepared.

   There has been no material change in the aggregate market value of our properties since 30 September 2017, which is the date as of which our properties were assigned their market value in the Valuation Report.

5. The following table sets forth our subsidiary:

Name	**Country of incorporation and registered office**	**Percentage of beneficial interest held as at 30 September 2017**
Dubai Hills Estate	Dubai	50.00

6. JLL has given and not withdrawn its written consent to the inclusion in this Prospectus of its name, its report in the Appendix to this Prospectus entitled "*Appendix A: Executive Summary of Valuation Report*" and the references thereto in the form and context in which they appear and has authorised the contents of those parts of this document which comprise its reports.

GLOSSARY

The following definitions apply throughout this document unless the context requires otherwise:

Audited Financial Statements	the Company's audited consolidated financial statements as of and for the three years ended 31 December 2014, 2015 and 2016;
BofA Merrill Lynch	Merrill Lynch International;
BOQ	bill of quantities;
BTL assets	assets constructed for lease by Emaar Properties or its subsidiaries or joint venture partners;
BTO assets	assets constructed for operation by Emaar Properties or its subsidiaries or joint venture partners;
BTS assets	assets constructed for sale by Emaar Development;
CAR	contractors all risks;
Closing Date	22 November 2017;
commercial development	hotels or other facilities constructed for lease or operation;
commercial unit	an office unit constructed for sale;
Company	Emaar Development PJSC;
Constitutive General Assembly	the constitutive general assembly of the Company;
Credit Facility	a revolving credit facility of up to US$300,000,000 available to the Company in accordance with the terms of the Relationship Agreement;
customer	the individuals or entities who purchase our residential units;
DACC	Dubai Aviation City Corporation;
development	a parcel within a project (e.g., Downtown Views within Downtown Dubai);
development value	anticipated total sales value of units under construction;
DFM	Dubai Financial Market;
DFSA	Dubai Financial Services Authority;
DIFC	Dubai International Financial Centre;
DLD	Dubai Land Department;
ECM	Emaar Community Management;
EFG Hermes	EFG Hermes UAE Limited;
Emaar Development	Emaar Development PJSC;
Emaar Properties	Emaar Properties PJSC;
Emirates NBD Capital	Emirates NBD Capital PSC;
Escrow Law	UAE Law No. 8 of 2007;
Exchange Act	U.S. Securities Exchange Act of 1934;
Exempt Offer	an offer in the DIFC pursuant to the Markets Rules Module of the DFSA Rulebook;
EY	Ernst & Young Middle East (Dubai Branch);
FAB	First Abu Dhabi Bank PJSC;
FIEL	Financial Instruments and Exchange Law;
Financial Adviser	N M Rothschild & Sons Limited;

GAV	gross asset value;
GFA	gross floor area;
Global Offering	the offering of the Shares of Emaar Development by Emaar Properties in the Qualified Investor Offering and the UAE Retail Offer;
Goldman Sachs	Goldman Sachs International;
GREs	government related entities;
ICD	Investment Corporation of Dubai;
IFRS	International Financial Reporting Standards;
Institutional Offering	the offering in the United States to QIBs as defined in, and in reliance on, Rule 144A under the Securities Act, and outside the United States to institutional investors in reliance on Regulation S under the Securities Act;
integrated lifestyle master plan community	descriptor for each of our projects (e.g. Downtown Dubai is an integrated lifestyle master plan community, Downtown Views is a development within that community);
IP License Agreement . . .	the trade mark license agreement according to which Emaar Properties has granted the Company licence to use and apply certain Emaar brand names, trade marks and other intellectual property rights;
JLL	JLL Valuation L.L.C.;
joint development project .	Dubai Creek Harbour
Joint Global Coordinators	BofA Merrill Lynch, EFG Hermes, Emirates NBD Capital, FAB and Goldman Sachs;
joint venture projects . . .	projects being developed pursuant to a joint venture or joint development arrangement, comprising Dubai Hills Estate, Emaar South and Zabeel Square;
KSA	Kingdom of Saudi Arabia;
Law No. 13	Dubai Law No. 13 of 2008;
Law No. 27	Dubai Law No. 27 of 2007;
LEED	Local Economic and Employment Development;
master plan	the document governing the development of each project;
Master Transfer Agreement	the agreement between the Company and Emaar Properties, dated 29 September 2017, in relation to the transfer of Emaar Properties' UAE real estate development business to the Company;
MBR City	Mohammed Bin Rashid City;
Meraas Estates	Meraas Estates LLC;
Meraas Venture	Meraas Venture LLC;
Meraas Zabeel	Meraas Venture One Person Company LLC;
Mortgage Law	Dubai Law No. 14 of 2008;
Murabaha	an Islamic financing structure in which an intermediary buys a property with free and clear title, and which is an acceptable form of credit sale under Sharia;
NAV	net asset value;
NIN	national investor number;
PFIC	passive foreign investment company;
project	an individual component of the project portfolio and either a wholly-owned project under development, a joint venture project or a land bank project;

project portfolio	Emaar Development's portfolio of real estate assets, comprising wholly-owned projects under development, joint venture projects, projects under joint development agreements and wholly-owned land bank projects;
Prospectus	this prospectus;
QIB	qualified institutional buyers, as defined in Rule 144A;
Qualified Investor Offering	the Exempt Offer together with the Institutional Offering;
Registration Law	the Dubai Real Estate Registration Law No. 7 of 2006;
Regulation S	Regulation S under the Securities Act;
Relationship Agreement	an agreement between the Company and Emaar Properties that will come into force on Admission and the principal purpose of which is to ensure that the Company is capable at all times of carrying on its business independently of Emaar Properties;
Rent Cap Decree	Dubai Decree No. 43 of 2013;
RERA	the Real Estate Regulatory Agency, a regulatory arm of the DLD;
residential unit	an apartment, villa or townhouse constructed for sale;
ROCE	return on capital employed;
Rule 144A	Rule 144A under the Securities Act
sales backlog	value of residential or commercial units sold but not yet recognised as revenue under IFRS;
SCA	Securities and Commodities Authority;
SEC	Securities and Exchange Commission;
Securities Act	U.S. Securities Act of 1933;
Selling Shareholder	Emaar Properties PJSC;
Shares	the ordinary shares of Emaar Development being offered by Emaar Properties in the Global Offering;
Strata Law	Dubai Law No. 27 of 2007;
Tenancy Law	Dubai Law No. 26 of 2007;
UAE	United Arab Emirates;
UAE Prospectus	the prospectus pursuant to which the Shares are being offered in the UAE;
UAE Retail Offer	the offering of shares in the UAE to (A) certain natural persons, companies, establishments and other entities and (B) in accordance with the requirements of Federal Law No.2 of 2015 concerning commercial companies, as amended, up to 5 per cent. of the Shares to the Emirates Investment Authority;
Unaudited Interim Financial Statements	unaudited interim condensed consolidated financial statements as of and for the nine months ended 30 September 2017;
under design	units that are added to a project during the construction process and which are launched for sale in later stages of the development process;
Valuation Report	The JLL report dated as of 30 September 2017 and included in Annex A to this Prospectus;
VAT	value added tax;
VAT Law	the Law No. 8 of 2017 regarding VAT, announced on 23 August 2017 and effective 1 January 2018;

wholly-owned land bank projects . . . . projects not yet under development, comprising Ras al Khaimah and Dubai Harbour; and

wholly-owned projects under development . . . . projects being developed that are wholly owned by Emaar Development, comprising Downtown Dubai, Arabian Ranches, Dubai Marina and Emirates Living.

FINANCIAL STATEMENTS

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Emaar Development LLC and its Subsidiary

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

Emaar Development LLC and its subsidiary

Unaudited Interim Condensed Consolidated Financial Statements
For the Period Ended 30 September 2017

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Building a better
working world

Ernst & Young
P.O. Box 9267
28th Floor, Al Saqr Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE PARTNERS OF EMAAR DEVELOPMENT LLC AND ITS SUBSIDIARY

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Emaar Development LLC (the "Company") and its subsidiary (the "Group") as at 30 September 2017, comprising of the interim consolidated statement of financial position as at 30 September 2017, and the related interim consolidated statements of comprehensive income, statement of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

We have not reviewed the financial information for the nine-month period ended 30 September 2016 and accordingly do not express a conclusion thereon.

For Ernst & Young

Signed by:
Anthony O'Sullivan
Partner
Registration No: 687

17 October 2017

Dubai, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Period ended 30 September 2017 (Unaudited)

	Notes	***(US$ 1.00 = AED 3.673)*** *30 September 2017 AED'000*	*30 September 2016 AED'000*
Revenue	4	**6,508,387**	5,129,772
Cost of revenue	4	**(3,758,283)**	(2,980,696)
GROSS PROFIT		**2,750,104**	2,149,076
Selling, general and administrative expenses	5	**(438,459)**	(404,023)
Finance income	6	**90,155**	87,065
Finance costs		**(10,950)**	(10,588)
Other income		**54,976**	46,577
Share of results of joint venture		**(3,548)**	(1,627)
PROFIT FOR THE PERIOD		**2,442,278**	1,866,480
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,442,278**	1,866,480
ATTRIBUTABLE TO:			
Owners of the Parent		**2,105,773**	1,596,915
Non-controlling interest		**336,505**	269,565
		2,442,278	1,866,480
Earnings per share attributable to the owners of the parent:			
- basic and diluted earnings per share (AED)		**7,019,243**	5,323,050

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

Emaar Development LLC and its Subsidiary

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	*(US$ 1.00 = AED 3.673)* **30 September 2017 AED'000 (Unaudited)**	*31 December 2016 AED'000 (Audited)*
ASSETS			
Bank balances	7	**10,167,361**	9,753,544
Trade and unbilled receivables	8	**1,346,284**	1,472,280
Other assets, receivables, deposits and prepayments	9	**2,855,042**	1,777,140
Development properties	10	**6,491,784**	6,022,305
Loans to joint ventures	11	**378,939**	13,016
Property, plant and equipment		**70,808**	81,615
TOTAL ASSETS		**21,310,218**	19,119,900
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	13	**3,548,033**	3,032,355
Advances from customers		**8,031,798**	8,135,670
Retentions payable		**473,174**	418,745
Employees' end-of-service benefits		**20,784**	17,390
TOTAL LIABILITIES		**12,073,789**	11,604,160
EQUITY			
Equity attributable to owners of the Parent			
Share capital		**300**	300
Statutory reserve		**150**	150
Shareholder's contribution	17	**8,355,956**	6,751,772
		8,356,406	6,752,222
Non-controlling interests		**880,023**	763,518
TOTAL EQUITY		**9,236,429**	7,515,740
TOTAL LIABILITIES AND EQUITY		**21,310,218**	19,119,900

The interim condensed consolidated financial statements were authorised for issue on 17 October 2017 by:

General Manager

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2017 (Unaudited)

(US$ 1.00 = AED 3.673)

	Attributable to the owners of the Parent					
	Share capital AED'000	*Statutory reserve AED'000*	*Shareholder's contribution AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance at 31 December 2016 (*Audited*)	300	150	6,751,772	6,752,222	763,518	7,515,740
Profit for the period	-	-	2,105,773	2,105,773	336,505	2,442,278
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	2,105,773	2,105,773	336,505	2,442,278
Dividend of a subsidiary	-	-	-	-	(220,000)	(220,000)
Movement in shareholder's contribution	-	-	(501,589)	(501,589)	-	(501,589)
Balance at 30 September 2017	**300**	**150**	**8,355,956**	**8,356,406**	**880,023**	**9,236,429**
Balance at 31 December 2015 (*Audited*)	300	150	4,289,227	4,289,677	549,024	4,838,701
Profit for the period	-	-	1,596,915	1,596,915	269,565	1,866,480
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	1,596,915	1,596,915	269,565	1,866,480
Movement in shareholder's contribution	-	-	57,336	57,336	-	57,336
Balance at 30 September 2016	300	150	5,943,478	5,943,928	818,589	6,762,517

Movement in shareholder's contribution represents change in the net assets allocated to the Build-to-sell real estate development business. Also refer note 2.1 and 17.

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Period ended 30 September 2017 (Unaudited)

		(US$ 1.00 = AED 3.673)	
	Notes	***30 September 2017 AED'000***	*30 September 2016 AED'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**2,442,278**	1,866,480
Adjustments for:			
Share of results of joint venture	12	**3,548**	1,627
Depreciation	5	**10,863**	7,722
Provision for employees' end-of-service benefits, net		**3,394**	3,929
Finance costs		**10,950**	10,588
Finance income	6	**(90,155)**	(87,065)
Cash from operations before working capital changes		**2,380,878**	1,803,281
Trade and unbilled receivables		**125,996**	(299,510)
Other assets, receivables, deposits and prepayments		**(1,078,399)**	(351,403)
Development properties		**(469,479)**	(999,789)
Advances from customers		**(103,872)**	288,802
Trade and other payables		**515,678**	406,516
Retentions payable		**54,429**	94,750
Net cash flows from operating activities		**1,425,231**	942,647
CASH FLOWS FROM INVESTING ACTIVITIES			
Finance income received		**90,652**	81,937
Loan to joint ventures		**(369,321)**	(7,022)
Amounts incurred on property, plant and equipment		**(56)**	(7,747)
Investment in a joint venture		**(150)**	(150)
Deposits maturing after three months		**1,091,666**	(328,901)
Net cash flows from / (used in) investing activities		**812,791**	(261,883)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid		**(10,950)**	(10,588)
Dividend paid by a subsidiary to the non-controlling interests		**(220,000)**	-
Movement in shareholder's contribution		**(501,589)**	57,336
Net cash flows (used in) / from financing activities		**(732,539)**	46,748
INCREASE IN CASH AND CASH EQUIVALENTS		**1,505,483**	727,512
Cash and cash equivalents at the beginning of the period		**6,600,713**	6,869,310
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	**8,106,196**	7,596,822

The accompanying notes 1 to 19 form an integral part of these interim condensed consolidated financial statements.

1 DOMICILE AND ACTIVITIES

Emaar Development L.L.C (the "Company" or the "Parent") is a limited liability company incorporated on 2 April 2003 (formerly Emaar Investment LLC) with the Department of Economic Development, Dubai, United Arab Emirates (UAE) and owned 99% by Emaar Properties PJSC (the 'Ultimate Parent'), an entity incorporated in UAE and listed on the Dubai Financial Market (DFM) and 1% by Emirates Property Holdings Limited, an entity incorporated in the British Virgin Islands. The Company and its subsidiary constitute the Group (the "Group"). The Company's registered office is at P.O. Box 48882, Dubai, United Arab Emirates ("UAE").

During 2017, the Ultimate Parent announced their intention to sell up to 30% of their shares in the Company through an Initial Public Offering ("IPO") and subsequently list the Company on the DFM. As part of proposed IPO, the legal status of the Company will be converted from that of a Limited Liability Company (L.L.C) to a Public Joint Stock Company ("PJSC") to be known as Emaar Development PJSC upon receipt of the appropriate approval from the Ministry of Economy.

The principal activities of the Group are property development and development management in the UAE.

2.1 BASIS OF PREPARATION

As part of a proposed IPO, the Ultimate Parent entered into a Master Transfer Agreement ("MTA") on 29 September 2017 with the Company for the transfer of its Build-to-sell (BTS) real estate development business (sale of condominiums, villas, commercial units and plots of land) in the UAE to the Company. As per the MTA all assets and liabilities relating to the BTS real estate development business of the Ultimate Parent are transferred to the Company. As this transaction is between entities under common control, which is scoped out under IFRS 3 – Business Combinations, the Company has chosen to present the interim condensed consolidated financial statements for the period ended 30 September 2017 as if BTS real estate development business was with the Company from the beginning of the earliest period presented. Accordingly, the interim condensed consolidated financial statements which have been prepared for the purpose of inclusion in the IPO prospectus, represents the results of operations and assets and liabilities of the BTS real estate development business for the period ended 30 September 2017. Further, as per the MTA, certain warranty provisions and advances from customers relating to BTS real estate developments which were completed in the prior years are retained in the books of the Ultimate Parent as these obligations will be continued to be serviced the Ultimate Parent company. In addition, based on the MTA, the Company will also continue to manage the development of Build-to-Operate (BTO) and Build-to-lease (BTL) assets on behalf of the Ultimate Parent for which the Company will receive management fees at an agreed rate. The Ultimate Parent also transferred its interest in the BTS real estate development business of its subsidiary, Dubai Hills Estate LLC to the Company. Joint ventures partners have also consented to transfer the interest of the Ultimate Parent in the BTS real estate development business of joint ventures to the Company. Currently, legal formalities for such transfers are under process. However, the beneficial interest in the BTS real estate development business has been transferred to the Group by virtue of contractual arrangements entered into by the parties.

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard (IAS) 34: *Interim Financial Reporting.*

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (IFRS), and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The interim condensed consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of interim condensed consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.1 BASIS OF PREPARATION (continued)

The comparative information presented in the interim condensed consolidated financial statements represents the BTS real estate business of the Group transferred from the Ultimate Parent. The comparative information in the interim condensed consolidated financial statements are unreviewed.

Basis of consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Company and the entity controlled by the Company (its subsidiary) as at 30 September 2017. Control is achieved where all the following criteria are met:

(a) the Company has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
(b) the Company has exposure, or rights, to variable returns from its involvement with the entity; and
(c) the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiary
A subsidiary is fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the interim consolidated statement of comprehensive income; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the interim consolidated statement of comprehensive income or retained earnings, as appropriate.

Details of the Company's significant subsidiary are as follows:

Subsidiary	Place of incorporation	Principal activities	Percentage of beneficial interest
Dubai Hills Estate LLC	UAE	Property development	50.00%

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)
Joint ventures
Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The Group's investment in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are carried in the interim consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture companies, less any impairment in value.

The interim consolidated statement of comprehensive income reflects the Group's share of results of its joint ventures. Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments, estimates and assumptions that have a significant impact on the interim condensed consolidated financial statements of the Group are discussed below:

Judgments
Satisfaction of performance obligations
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method 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. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices
The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment 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.

In determining the impact of variable consideration the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

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 the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)
Transfer of real estate assets from property, plant and equipment to development properties
The Group sells real estate assets in its ordinary course of business. When real estate assets which were previously classified as property, plant and equipment are identified for sale in the ordinary course of business, then the assets are transferred to development properties at their carrying value at the date of identification and become held for sale. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Consolidation of subsidiary
The Group has evaluated all investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

Estimations and assumptions
Split of real estate components
The interim condensed consolidated financial statements of the Group include certain assets, liabilities, income, expenses and cash flows which are allocated to the Group based on management assumptions and estimates. This mainly includes development properties, trade and other payables, selling, general and administrative expenses. These are allocated based on evaluation by project consultant and management best estimate of use of corporate resources by the Group.

Impairment of trade and other receivables
An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

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 the 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. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

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 providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

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

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

(a) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its interim condensed consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. The application has no effect on the Group's interim consolidated financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

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Amendments to IFRS 12 *Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12*

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. The Group has adopted the amendments retrospectively. As the disclosure requirements in IFRS 12 do not specifically apply to the interim condensed consolidated financial statements, the Group did not provide these disclosures. The Group will disclose the required information in its annual consolidated financial statements for the year ended 31 December 2017.

(b) Standards, amendments and interpretations in issue but not effective

At the date of authorisation of these interim condensed consolidated financial statements, other than the Standards and Interpretations adopted by the Group (as described above) the following Standards and Interpretations were in issue but not yet effective:

IFRS 9 — IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 2 — Amendment to IFRS 2 *Share-based Payment* Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018); and

IFRS 16 — Leases: Lessees required to recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term (effective for annual periods beginning on or after 1 January 2019).

The Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future interim condensed consolidated financial statements of the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
The Group has elected to early adopt IFRS 15 with effect from 1 January 2015 and has applied the following accounting policy in the preparation of its interim condensed consolidated financial statements.

Revenue from contracts with customers for sale of properties
The Group recognises revenue from contracts with customers 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 services to a customer, excluding amounts collected on behalf of third parties.
Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group 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.

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 entity 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 the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or 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 the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Development properties
Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the interim consolidated statement of comprehensive income on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The management reviews the carrying values of the development properties on an annual basis.

Financial assets
All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets
For the purposes of classifying financial assets, an instrument is an ‘equity instrument’ if it is a non-derivative and meets the definition of ‘equity’ for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are ‘debt instruments’.

Equity investments
All financial assets that are equity investments are measured at fair value either through interim consolidated statement of other comprehensive income or through profit or loss. This is an irrevocable choice that the Group has made on early adoption of IFRS 9 - Phase 1 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity investments is recorded through the interim consolidated statement of comprehensive income.

Debt instruments
Debt instruments are also measured at fair value through profit or loss unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Cash and cash equivalents

For the purpose of the interim consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade and unbilled receivables

Trade and unbilled receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. When trade and unbilled receivables are uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the interim consolidated statement of comprehensive income.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the interim consolidated statement of comprehensive income. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the interim consolidated statement of comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the interim consolidated statement of comprehensive income.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the interim consolidated statement of comprehensive income. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the interim consolidated statement of comprehensive income. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators. Impairment losses of continuing operations are recognised in the interim consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the interim consolidated statement of comprehensive income.

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 phase 1, are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instruments as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the interim consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 through the expected life of the financial liability, or, where appropriate, a shorter period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Group (continued)
Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognised in the interim consolidated statement of comprehensive income.

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

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the interim consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Foreign currency translations
The interim condensed consolidated financial statements are presented in AED which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the interim consolidated statement of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

As at the reporting date, the assets and liabilities of subsidiary with functional currencies other than AED are translated into AED at the rate of exchange ruling at the reporting date and their statements of income are translated at the weighted average exchange rates for the year. The differences arising on the translation are taken directly to the interim consolidated statement of comprehensive income. On disposal of an entity, the deferred cumulative amount recognised in equity relating to that entity is recognised in the interim consolidated statement of comprehensive income.

Contingencies
Contingent liabilities are not recognised in the interim condensed consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the interim condensed consolidated financial statements but disclosed when an inflow of economic benefits is probable.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm’s length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

3 SEGMENT INFORMATION

For management purposes, the Group is organised into one segment based on its products and services, which is the real estate development business. Accordingly, the Group only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

Business segments

Revenue, operating results, assets and liabilities presented in the interim condensed consolidated financial statements relates to the real estate development business of the Group.

Geographic segment

The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented it the interim condensed consolidated financial statements relates to its operation in the UAE.

4 REVENUE AND COST OF REVENUE

	30 September 2017 AED’000	*30 September 2016 AED’000*
Revenue		
Sale of condominiums	**3,869,956**	2,131,641
Sale of villas	**2,217,958**	2,129,966
Sale of commercial units, plots of land and others	**420,473**	868,165
	6,508,387	5,129,772
Cost of revenue		
Cost of condominiums	**2,558,658**	1,517,704
Cost of villas	**1,175,714**	1,280,039
Cost of commercial units, plots of land and others	**23,911**	182,953
	3,758,283	2,980,696

Below is the split of revenue recognised over a period of time and single point in time:

	30 September 2017 AED’000	*30 September 2016 AED’000*
- Over a period of time	**6,303,319**	4,342,551
- Single point in time	**205,068**	787,221
	6,508,387	5,129,772

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	30 September 2017 AED'000	*30 September 2016 AED'000*
Sales and marketing expenses	**135,475**	107,847
Payroll and related expenses	**113,321**	94,554
Property management expenses	**43,073**	41,110
Depreciation of property, plant and equipment	**10,863**	7,722
Other expenses	**135,727**	152,790
	438,459	404,023

6 FINANCE INCOME

	30 September 2017 AED'000	*30 September 2016 AED'000*
Finance income on fixed deposits with banks	**33,942**	34,521
Other finance income	**56,213**	52,544
	90,155	87,065

7 BANK BALANCES

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Current and call bank deposit accounts	**8,003,098**	6,485,713
Fixed deposits maturing within three months	**103,098**	115,000
Cash and cash equivalents	**8,106,196**	6,600,713
Fixed deposits maturing after three months	**2,061,165**	3,152,831
	10,167,361	9,753,544

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Fixed deposits maturing after three months earn interest at rates between 1.3% and 2.25% per annum (31 December 2016: 1.3% and 2.95% per annum).

The Company is required to maintain certain deposits / balances amounting to AED 9,972,813 thousands (31 December 2016: AED 9,242,814 thousands) with banks for advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

8 TRADE AND UNBILLED RECEIVABLES

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Trade receivables		
Amounts receivables within 12 months, net	**686,627**	528,540
Unbilled receivables		
Unbilled receivables within 12 months	**626,016**	919,519
Unbilled receivables after 12 months	**33,641**	24,221
	659,657	943,740
Total trade and unbilled receivables	**1,346,284**	1,472,280

The above trade receivables are net of AED 56,629 thousands (31 December 2016: AED 56,629 thousands) relating to provision for doubtful debts representing management's best estimate of doubtful trade receivables which are past due for more than 90 days. All other receivables are considered recoverable.

9 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Due from related parties (note 17)	**1,199,126**	583,923
Advances to contractors and others	**946,075**	703,183
Deferred sales commission (i)	**635,434**	419,427
Prepayments	**11,669**	4,904
Accrued interest	**10,865**	11,362
Other receivables and deposits	**51,873**	54,341
	2,855,042	1,777,140
Other assets, receivables, deposits and prepayments maturity profile:		
Amounts recoverable within 12 months	**2,855,042**	1,777,140
Amounts recoverable after 12 months	**-**	-
	2,855,042	1,777,140

(i) The deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations where applicable.

10 DEVELOPMENT PROPERTIES

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Balance at the beginning of the year (Audited)	**6,022,305**	4,482,829
Add: Costs incurred during the period / year	**4,440,277**	5,625,822
Less: Costs transferred to cost of revenue during the period / year	**(3,758,283)**	(4,037,246)
Less: Transferred to Ultimate Parent (i)	**(81,019)**	(49,100)
Less: Transferred to affiliated entity (i)	**(131,496)**	-
Balance at the end of the period / year	**6,491,784**	6,022,305

(i) Represents infrastructure cost of build to lease/operate assets (BTL / BTO) charged to Ultimate Parent and its affiliated entities as per the MTA. As agreed in the MTA, development of all infrastructure relating to the projects, including BTL / BTO assets will be carried out by the Company and transferred to the Ultimate Parent and its affiliated entities at an agreed rate.

11 LOAN TO JOINT VENTURES

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Emaar Dubai South DWC LLC	**201,669**	15,441
Zabeel Square LLC	**183,093**	-
Investment in joint ventures (note 12)	**(5,823)**	(2,425)
	378,939	13,016

Loan to joint venture of AED 384,762 (31 December 2016: AED 15,441 thousands) are unsecured, repayable on demand and does not carry any interest.

12 INVESTMENT IN JOINT VENTURES

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Emaar Dubai South DWC LLC (i)	**(5,973)**	(2,425)
Zabeel Square LLC (ii)	**150**	-
	(5,823)	(2,425)

(i) During 2015, the Ultimate Parent has entered into a joint venture agreement with Dubai Aviation City Corporation for the development of Emaar South project. The joint venture was incorporated in the UAE on 9 May 2016 and operates under the name of Emaar Dubai South DWC LLC ("Emaar South"), in which the Ultimate Parent has 50% interest. The entity is primarily involved in property development activities. The Group's interest in the joint venture is accounted for using the equity method accounting in the interim condensed consolidated financial statements.

12 INVESTMENT IN JOINT VENTURES (continued)

Movement in investment in joint venture is as follows:

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Investment made during the period/year	**150**	150
Share of results for the period/year	**(6,123)**	(2,575)
Excess of loss over the value of investment is presented as part of loan to joint venture	**(5,973)**	(2,425)

As at 30 September 2017, the Group's joint venture has contingent liabilities of AED 28,800 thousands and commitments of AED 2,465,000 thousands.

(ii) On 9 January 2017, the Ultimate Parent has entered into a joint venture agreement with Meraas Zabeel Owned by Meraas Venture One Person Company LLC for the purpose of mix-use development in the UAE. The Ultimate Parent has 50% equity interest in the joint venture company, Zabeel Square LLC ("Zabeel Square"). The Group's interest in the joint venture is accounted for using the equity method in the interim condensed consolidated financial statements.

During the period, based on the MTA, Ultimate Parent has transferred its interest in the BTS real estate development business of the joint ventures to the Company. As at the reporting date, joint venture partners have agreed for the change in the initial shareholders agreement and transfer the interest of the Ultimate Parent in the joint venture companies to the Company. However, the legal formalities for the transfer is in progress at reporting date.

13 TRADE AND OTHER PAYABLES

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Project contract cost accruals and provisions	**2,002,584**	1,780,326
Payable to related parties (note 17)	**572,935**	4,608
Trade payables	**273,879**	430,521
Creditors for land purchase	**222,856**	344,026
Sales commission payable	**97,029**	54,939
Payable to authorities	**39,384**	18,271
Other payables and accruals	**339,366**	399,664
	3,548,033	3,032,355

14 INTEREST-BEARING LOAN AND BORROWING

On 27 September 2017, the Group has entered into a 5 year Murabaha financing facility agreement for an amount of USD 1,300,000 thousands (AED 4,774,900 thousands) with First Abu Dhabi Bank PJSC. The Murabaha facility is secured against cash flows of certain projects of the Group, carries profit rate at LIBOR plus 1.4% per annum and is fully repayable by 2022. As at reporting the date, the Group has not drawn down any amount from this facility.

15 GUARANTEES AND CONTINGENCIES

The Group has provided a performance guarantee of AED 3,679,677 thousands (31 December 2016: AED 3,908,818 thousands to the Real Estate Regulatory Authority (RERA), Dubai for its projects as per RERA regulations.

16 COMMITMENTS

At 30 September 2017, the Group had commitments of AED 15,037,674 thousands (31 December 2016: AED 10,976,101 thousands). This represents the value of contracts entered into by the Group at period / year end net of invoices received and accruals made at that date. There were certain claims submitted by contractors relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

17 RELATED PARTY DISCLOSURES

For the purpose of these interim condensed consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related party transactions
During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	30 September 2017 AED'000	*30 September 2016 AED'000*
Ultimate Parent:		
Selling, general and administrative expenses (refer (i) below)	**145,257**	122,570

	30 September 2017 AED'000	*30 September 2016 AED'000*
Affiliated entities:		
Property development expenses	**86,641**	79,702
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	**10,346**	**-**

Related party balances
Significant related party balances (and the interim consolidated statement of financial position captions within which these are included) are as follows:

	30 September 2017 AED'000	*31 December 2016 AED'000 (Audited)*
Ultimate Parent:		
Other assets, receivables, deposits and prepayments (refer (iii) below)	**1,199,126**	583,923
Trade and other payables	**572,935**	5,252
Affiliated entities:		
Other assets, receivables, deposits and prepayments	**131,496**	**-**

17 RELATED PARTY DISCLOSURES (continued)

Related party balances (continued)

(i) Allocation of corporate expenses:

Ultimate Parent has provided certain corporate functions to the Group and costs associated with these functions were allocated to the Group. These functions included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. The costs of such services were allocated to the Group based on the most relevant allocation method to the service provided, which includes the headcount, time/efforts spent or number of users. In situations where no allocation methodology was more appropriate than another, an even allocation between the Group and other subsidiaries of the Ultimate Parent was utilised. The charges for these functions are included in selling, general, and administrative expenses in the interim consolidated statement of comprehensive income.

(ii) Shareholder's contribution:

Shareholder's contribution included as part of total equity of the Company represents the Ultimate Parents' interest in the net assets of the Company until the date of transfer of business to the Company. Certain allocated expenses by the Ultimate Parent have also been adjusted within the shareholder's contribution.

(iii) Recoverable from Ultimate Parent:

This represents balances recoverable from the Ultimate Parent with respect to the development costs incurred for the BTS developments in Dubai Creek Harbour project. As agreed in the MTA, the Ultimate Parent has transferred the development services agreement relating to the BTS development in Dubai Creek Harbour project to the Company, for which the development costs including infrastructure costs are incurred by the Company. These balances will be recovered as per the agreed terms in the MTA.

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	30 September 2017 AED'000	*30 September 2016 AED'000*
Short-term benefits	**43,245**	40,645
Employees' end-of-service benefits	**629**	1,950
	43,874	42,595

During the period, the number of key management personnel is 60 (2016: 52).

18 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade and unbilled receivables, loans and advances, other receivables, deposits and due from related parties. Financial liabilities of the Group include customer deposits, accounts payable, retentions payable and other payables.

Fair value of the financial instruments is included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments.

19 EVENTS AFTER REPORTING DATE

On 17 October 2017, the Company has increased its share capital from AED 300 thousand to AED 4,000,000 thousand by conversion of shareholder's contribution into share capital.

Emaar Development LLC and its Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 and 2014

Building a better working world

Ernst & Young
P.O. Box 9267
28th Floor, Al Saqr Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF EMAAR DEVELOPMENT LLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emaar Development LLC (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016, 31 December 2015 and 31 December 2014, and the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2016, 31 December 2015 and 31 December 2014, and its financial performance and its cash flows for the years 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 Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the General Manager for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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 General Manager is responsible for overseeing the Group's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF EMAAR DEVELOPMENT L.L.C (continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF EMAAR DEVELOPMENT L.L.C (continued)

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements (continued)
We communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Ernst & Young

Signed by:
Anthony O'Sullivan
Partner
Registration number: 687

17 October 2017

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ended 31 December 2016, 2015, 2014

		(US$ 1.00 = AED 3.673)		
	Notes	*2016 AED'000*	*2015 AED'000*	*2014 AED'000*
Revenue	4	6,898,599	5,252,842	3,139,694
Cost of revenue	4	(4,037,246)	(2,857,976)	(1,298,740)
GROSS PROFIT		2,861,353	2,394,866	1,840,954
Selling, general and administrative expenses	5	(577,148)	(611,189)	(492,749)
Finance income	6	124,388	60,754	140,247
Finance costs		(13,865)	(16,486)	(35,811)
Other income		59,744	134,010	157,940
Share of results of joint venture	12	(2,575)	-	-
PROFIT FOR THE YEAR		2,451,897	1,961,955	1,610,581
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,451,897	1,961,955	1,610,581
ATTRIBUTABLE TO:				
Owners of the Parent		2,112,403	1,742,045	1,275,647
Non-controlling interest		339,494	219,910	334,934
		2,451,897	1,961,955	1,610,581
Earnings per share attributable to the owners of the Parent:				
- basic and diluted earnings per share (AED)	20	7,041,343	5,806,817	4,252,157

The accompanying notes 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016, 2015, 2014

	Notes	2016 AED'000	2015 AED'000	2014 AED'000
		(US$ 1.00 = AED 3.673)		
ASSETS				
Bank balances	7	9,753,544	9,460,972	7,394,389
Trade and unbilled receivables	8	1,472,280	1,053,979	719,782
Other assets, receivables, deposits and prepayments	9	1,777,140	909,206	591,901
Development properties	10	6,022,305	4,482,829	4,801,557
Loan to a joint venture	11	13,016	-	-
Property, plant and equipment	13	81,615	85,554	4
TOTAL ASSETS		19,119,900	15,992,540	13,507,633
LIABILITIES AND EQUITY				
Liabilities				
Trade and other payables	14	3,032,355	2,830,206	2,699,342
Advances from customers	15	8,135,670	7,876,668	7,323,532
Retentions payable	16	418,745	431,960	407,796
Employees' end-of-service benefits	17	17,390	15,005	10,448
TOTAL LIABILITIES		11,604,160	11,153,839	10,441,118
EQUITY				
Equity attributable to owners of the Parent				
Share capital	18	300	300	300
Statutory reserve	19	150	150	150
Shareholder's contribution	23	6,751,772	4,289,227	2,736,951
		6,752,222	4,289,677	2,737,401
Non-controlling interests		763,518	549,024	329,114
TOTAL EQUITY		7,515,740	4,838,701	3,066,515
TOTAL LIABILITIES AND EQUITY		19,119,900	15,992,540	13,507,633

The consolidated financial statements were authorised for issue on 17 October 2017 by:

General Manager

The accompanying notes 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December 2016, 2015, 2014

(US$ 1.00 = AED 3.673)

	Attributable to the owners of the Parent					
	Share capital AED'000	*Statutory reserve AED'000*	*Shareholder's contribution AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance at 1 January 2016	300	150	4,289,227	4,289,677	549,024	4,838,701
Profit for the year	-	-	2,112,403	2,112,403	339,494	2,451,897
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,112,403	2,112,403	339,494	2,451,897
Movement in shareholder's contribution	-	-	350,142	350,142	-	350,142
Dividend of a subsidiary	-	-	-	-	(125,000)	(125,000)
Balance at 31 December 2016	300	150	6,751,772	6,752,222	763,518	7,515,740
Balance at 1 January 2015	300	150	2,736,951	2,737,401	329,114	3,066,515
Profit for the year	-	-	1,742,045	1,742,045	219,910	1,961,955
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,742,045	1,742,045	219,910	1,961,955
Movement in shareholder's contribution	-	-	(189,769)	(189,769)	-	(189,769)
Balance at 31 December 2015	300	150	4,289,227	4,289,677	549,024	4,838,701
Balance at 1 January 2014	300	150	671,361	671,811	(5,820)	665,991
Profit for the year	-	-	1,275,647	1,275,647	334,934	1,610,581
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,275,647	1,275,647	334,934	1,610,581
Movement in shareholder's contribution	-	-	789,943	789,943	-	789,943
Balance at 31 December 2014	300	150	2,736,951	2,737,401	329,114	3,066,515

Movement in shareholder's contribution represents change in the net assets allocated to the Build-to-sell real estate development business. Also refer note 2.1**,** 23.

The accompanying notes 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ended 31 December 2016, 2015, 2014

	Notes	2016 AED'000	2015 AED'000	2014 AED'000
		(US$ 1.00 = AED 3.673)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year		2,451,897	1,961,955	1,610,581
Adjustments for:				
Share of results of joint venture	12	2,575	-	-
Depreciation	5	11,344	34	3
Provision for employees' end-of-service benefits, net	17	2,385	4,557	1,623
(Reversal)/provision for doubtful debts	8	(8,347)	19,007	-
Finance costs		13,865	16,486	35,811
Finance income	6	(124,388)	(60,754)	(140,247)
Cash from operations before working capital changes		2,349,331	1,941,285	1,507,771
Trade and unbilled receivables		(409,954)	(353,204)	(149,423)
Other assets, receivables, deposits and prepayments		(865,150)	(313,731)	(433,680)
Development properties		(1,539,476)	233,212	(966,651)
Advances from customers	15	259,002	553,136	3,366,240
Trade and other payables		188,894	115,163	130,556
Retentions payable		(13,215)	24,164	73,768
Net cash flows (used in)/ from operating activities		(30,568)	2,200,025	3,528,581
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income received		121,604	57,180	43,044
Loan to a joint venture		(15,441)	-	-
Amounts incurred on property, plant and equipment	13	(7,405)	(68)	-
Investment in a joint venture		(150)	-	-
Deposits maturing after three months		(561,169)	182,138	(2,473,800)
Net cash flows (used in)/ from investing activities		(462,561)	239,250	(2,430,756)
CASH FLOWS FROM FINANCING ACTIVITIES				
Finance costs paid		(610)	(785)	(31,549)
Repayment of loans to financial institutions		-	-	(760,220)
Dividend paid by a subsidiary to the non-controlling interests		(125,000)	-	-
Movement in shareholder's contribution		350,142	(189,769)	789,943
Net cash flows from/ (used in) financing activities		224,532	(190,554)	(1,826)
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(268,597)	2,248,721	1,095,999
Cash and cash equivalents at the beginning of the year		6,869,310	4,620,589	3,524,590
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	6,600,713	6,869,310	4,620,589

The accompanying notes 1 to 27 form an integral part of these consolidated financial statements.

1 DOMICILE AND ACTIVITIES

Emaar Development L.L.C (the “Company” or the “Parent”) is a limited liability company incorporated on 2 April 2003 (formerly Emaar Investment LLC) with the Department of Economic Development, Dubai, United Arab Emirates (UAE) and is owned 99% by Emaar Properties PJSC (the ‘Ultimate Parent’), an entity incorporated in UAE and listed on the Dubai Financial Market (DFM) and 1% by Emirates Property Holdings Limited, an entity incorporated in the British Virgin Islands. The Company and its subsidiary constitute the Group (the “Group”). The Company’s registered office is at P.O. Box 48882, Dubai, United Arab Emirates (“UAE”).

During 2017, the Ultimate Parent announced their intention to sell upto 30% of their shares in the Company through an Initial Public Offering (“IPO”) and subsequently list the Company on the DFM. As part of proposed IPO, the legal status of the Company will be converted from that of a Limited Liability Company (L.L.C) to a Public Joint Stock Company (“PJSC”) to be known as Emaar Development PJSC upon receipt of the appropriate approval from the Ministry of Economy.

The principal activities of the Group are property development and development management in the UAE.

2.1 BASIS OF PREPARATION

As part of a proposed IPO, the Ultimate Parent entered into a Master Transfer Agreement (“MTA”) on 29 September 2017 with the Company for the transfer of its Build-to-sell (BTS) real estate development business (sale of condominiums, villas, commercial units and plots of land) in the UAE to the Company. As per the MTA all assets and liabilities relating to the BTS real estate development business of the Ultimate Parent are transferred to the Company. As this transaction is between entities under common control, which is scoped out under IFRS 3 – Business Combinations, the Company has chosen to present the consolidated financial statements for the years ended 31 December 2016, 31 December 2015 and 31 December 2014 as if BTS real estate development business was with the Company from the beginning of the earliest period presented. Accordingly, the consolidated financial statements which have been prepared for the purpose of inclusion in the IPO prospectus, represents the results of operations and assets and liabilities of the BTS real estate development business for each of the years ended 31 December 2016, 31 December 2015 and 31 December 2014. Further, as per the MTA, certain warranty provisions and advances from customers relating to BTS real estate developments which were completed in the prior years are retained in the books of the Ultimate Parent as these obligations will be continued to be serviced the Ultimate Parent company. In addition, based on the MTA, the Company will also continue to manage the development of Build-to-Operate (BTO) and Build-to-lease (BTL) assets on behalf of the Ultimate Parent for which the Company will receive management fees at an agreed rate. The Ultimate Parent also transferred its interest in the BTS real estate development business of its subsidiary, Dubai Hills Estate LLC to the Company. Joint ventures partners have also consented to transfer the interest of the Ultimate Parent in the BTS real estate development business of joint ventures to the Company. Currently, legal formalities for such transfers are under process. However, the beneficial interest in the BTS real estate development business has been transferred to the Group by virtue of contractual arrangements entered into by the parties.

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company’s functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Company and entity controlled by the Company (its subsidiary) as at 31 December 2016, as at 31 December 2015 and as at 31 December 2014. Control is achieved where all the following criteria are met:

(a) the Company has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
(b) the Company has exposure, or rights, to variable returns from its involvement with the entity; and
(c) the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiary
Subsidiary is fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the consolidated statement of comprehensive income; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated statement of comprehensive income or retained earnings, as appropriate.

Details of the Company's significant subsidiary are as follows:

Subsidiary	Place of incorporation	Principal activities	Percentage of beneficial interest
Dubai Hills Estate LLC	UAE	Property development	50.00%

Joint ventures
Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

The Group's investment in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture companies, less any impairment in value.

The consolidated statement of comprehensive income reflects the Group's share of results of its joint ventures. Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments, estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Judgments

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method 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. Where this is not the case revenue is recognised at a point in time.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment 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.

In determining the impact of variable consideration the Group uses the “most-likely amount” method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

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 the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer.

Transfer of real estate assets from property, plant and equipment to development properties

The Group sells real estate assets in its ordinary course of business. When real estate assets which were previously classified as property, plant and equipment are identified for sale in the ordinary course of business, then the assets are transferred to development properties at their carrying value at the date of identification and become held for sale. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Consolidation of subsidiary

The Group has evaluated all the investee entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions

Split of real estate components
Consolidated financial statements of the Group includes certain assets, liabilities, income, expenses and cash flows which are allocated to the Group based on management assumptions and estimates. This mainly includes development properties, trade and other payables, selling, general and administrative expenses. These are allocated based on evaluation by project consultant and management best estimate of use of corporate resources by the Group.

Impairment of trade and other receivables
An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

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 the 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. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

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 providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Impairment of non-financial assets
The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

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

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

Standards, amendments and interpretations in issue but not effective
At the date of authorisation of these consolidated financial statements, the following standards, amendments and interpretations were in issue but not yet effective.

IAS 12 Amendments to IAS 12 *Disclosure of interest in other entities* (Recognition of Deferred Tax Assets for Unrealised Losses) (effective for annual periods beginning 1 January 2017);

IAS 7 Amendments to IAS 7 *Statement of Cash Flows (*Disclosure Initiative) (effective for annual periods beginning 1 January 2017);

IFRS10, IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively);

IFRS 9 IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 2 Amendment to IFRS 2 *Share-based Payment*
(Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018); and

IFRS 16 Leases: Lessees required to recognise a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term (effective for annual periods beginning on or after 1 January 2019).

The Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future consolidated financial statements of the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
The Group has elected to early adopt IFRS 15 - *Revenue from contracts with customers* with effect from 1 January 2015, as the Group considers it better reflects the real estate business performance of the Group. The Group opted for the full retrospective application permitted by IFRS 15 upon adoption of the standard. Accordingly, the standard has been applied retrospectively with effect from 1 January 2014 in accordance with IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*, subject to the practical expedients permitted by IFRS 15.

Since this is the first set of financial statements prepared for the Group, management consider that the disclosure for transition adjustments on change in the accounting policies of revenue recognition are not of significant interest to the users of the consolidated financial statements.
Revenue from contracts with customers for sale of properties
The Group recognises revenue from contracts with customers 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 services to a customer, excluding amounts collected on behalf of third parties.
Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 entity 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 the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or 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 the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

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

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

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

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

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Sales centers (included in land and buildings)	10 years
Computers and office equipment	2 - 5 years
Furniture and fixtures	2 - 10 years

No depreciation is charged on land and capital work-in-progress. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)
Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Development properties
Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the consolidated statement of comprehensive income on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The management reviews the carrying values of the development properties on an annual basis.

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

The Group’s investments in its joint ventures are accounted for using the equity method.

Under the equity method, the investment in the joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group’s share of the results of operations of its joint venture after tax and non-controlling in the subsidiary of the associate. Where there has been a change recognised directly in the other comprehensive income or equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the interest in the joint venture.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture, and its carrying value and recognises the impairment losses in the consolidated statement of comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in joint ventures (continued)
Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of comprehensive income. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

Financial assets
All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets
For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity investments
All financial assets that are equity investments are measured at fair value either through consolidated statement of other comprehensive income or through profit or loss. This is an irrevocable choice that the Group has made on early adoption of IFRS 9 - Phase 1 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity investments is recorded through the consolidated statement of comprehensive income.

Debt instruments
Debt instruments are also measured at fair value through profit or loss unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade and unbilled receivables
Trade and unbilled receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. When trade and unbilled receivables are uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the consolidated statement of comprehensive income. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the consolidated statement of comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the ‘other gains and losses’ line item in the consolidated statement of comprehensive income.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ‘loss event’) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the financial assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of comprehensive income. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the consolidated statement of comprehensive income. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income.

Financial liabilities and equity instruments issued by the Group
Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 phase 1, are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings
Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

End-of-service benefits
The Group provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its eligible UAE and GCC national employees, the Group makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Foreign currency translations
The consolidated financial statements are presented in AED which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

As at the reporting date, the assets and liabilities of subsidiary with functional currencies other than AED are translated into AED at the rate of exchange ruling at the reporting date and their statements of income are translated at the weighted average exchange rates for the year. The differences arising on the translation are taken directly to the consolidated statement of comprehensive income. On disposal of an entity, the deferred cumulative amount recognised in equity relating to that entity is recognised in the consolidated statement of comprehensive income.

Contingencies
Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement
The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

3 SEGMENT INFORMATION

For management purposes, the Group is organised into one segment based on its products and services, which is the real estate development business. Accordingly the Group only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

Business segments
Revenue, operating results, assets and liabilities presented in the consolidated financial statements relates to the real estate development business of the Group.

Geographic segment
The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented it the consolidated financial statements relates to its operation in the UAE.

4 REVENUE AND COST OF REVENUE

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Revenue			
Sale of condominiums	3,236,832	2,913,112	1,365,197
Sale of villas	2,608,994	822,549	621,008
Sale of commercial units, plots of land and others	1,052,773	1,517,181	1,153,489
	6,898,599	5,252,842	3,139,694
Cost of revenue			
Cost of condominiums	2,253,218	2,029,768	664,912
Cost of villas	1,564,641	443,855	394,499
Cost of commercial units, plots of land and others	219,387	384,353	239,329
	4,037,246	2,857,976	1,298,740
Below is the split of revenue recognised over a period of time and single point in time:			
- Over a period of time	5,938,690	4,027,710	2,143,577
- Single point in time	959,909	1,225,132	996,117
	6,898,599	5,252,842	3,139,694

Cost of revenue includes AED Nil (2015: AED 70,823 thousands and 2014: AED Nil) of costs incurred on certain projects of the Group which are discontinued.

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Sales and marketing expenses	149,910	149,121	145,549
Payroll and related expenses	125,354	114,232	85,986
Property management expenses	56,022	62,036	65,744
Depreciation of property, plant and equipment (note 13)	11,344	34	3
Other expenses	234,518	285,766	195,467
	577,148	611,189	492,749

6 FINANCE INCOME

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Finance income on fixed deposits with banks	45,922	13,680	8,830
Other finance income	78,466	47,074	131,417
	124,388	60,754	140,247

7 BANK BALANCES

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Current and call bank deposit accounts	6,485,713	6,869,310	4,620,589
Fixed deposits maturing within three months	115,000	-	-
Cash and cash equivalents	6,600,713	6,869,310	4,620,589
Fixed deposits maturing after three months	3,152,831	2,591,662	2,773,800
	9,753,544	9,460,972	7,394,389

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Fixed deposits maturing after three months earn interest at rates between 1.3% and 2.95% per annum (2015: 1.3% and 2.5% per annum and 2014: 0.65% and 0.90% per annum).

The Company is required to maintain certain deposits / balances amounting to AED 9,242,814 thousands (2015: AED 8,956,765 thousands and 2014: AED 7,005,466 thousands) with banks for advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

8 TRADE AND UNBILLED RECEIVABLES

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Trade receivables			
Amounts receivables within 12 months, net	528,540	185,623	112,958
Unbilled receivables			
Unbilled receivables within 12 months	919,519	800,814	601,060
Unbilled receivables after 12 months	24,221	67,542	5,764
	943,740	868,356	606,824
Total trade and unbilled receivables	1,472,280	1,053,979	719,782

The above trade receivables are net of AED 56,629 thousands (2015: AED 64,976 thousands and 2014: AED 45,969 thousands) relating to provision for doubtful debts representing management's best estimate of doubtful trade receivables which are past due for more than 90 days. All other receivables are considered recoverable.

Movement in the provision for doubtful debts during the year is as follows:

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Balance at the beginning of the year	64,976	45,969	45,969
Provision made during the year	-	19,007	-
Reversal of provision during the year	(8,347)	-	-
Balance at the end of the year	56,629	64,976	45,969

At 31 December, the ageing analysis of net trade and unbilled receivables is as follows:

			Past due but not impaired			
	Total AED'000	*Neither past due nor impaired AED'000*	*Less than 30 days AED'000*	*Between 30 to 60 days AED'000*	*Between 60 to 90 days AED'000*	*More than 90 days AED'000*
2016	1,472,280	943,740	99,296	34,363	32,016	362,865
2015	1,053,979	868,356	39,433	16,407	30,670	99,113
2014	719,782	606,824	64,769	4,581	3,930	39,678

Refer note 24 (a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

9 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Advances to contractors and others	703,183	348,883	259,169
Deferred sales commission (i)	419,427	243,290	163,773
Due from related parties	583,923	200,427	125,045
Accrued interest	11,362	8,578	5,004
Prepayments	4,904	2,963	3,641
Other receivables and deposits	54,341	105,065	35,269
	1,777,140	909,206	591,901
Other assets, receivables, deposits and prepayments maturity profile:			
Amounts recoverable within 12 months	1,777,140	909,206	591,901
Amounts recoverable after 12 months	-	-	-
	1,777,140	909,206	591,901

(i) The deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations where applicable.

10 DEVELOPMENT PROPERTIES

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Balance at the beginning of the year	4,482,829	4,801,557	4,123,935
Add: Costs incurred during the year	5,625,822	2,662,006	1,993,097
Less: Costs transferred to property, plant and equipment (note 13)	-	(85,516)	-
Less: Costs transferred to cost of revenue during the year	(4,037,246)	(2,857,976)	(1,298,740)
Less: Transferred to Ultimate Parent (i)	(49,100)	(37,242)	(16,735)
Balance at the end of the year	6,022,305	4,482,829	4,801,557

(i) Represents infrastructure cost of build to lease/operate assets (BTL/BTO) charged to Ultimate Parent as per MTA. As agreed in the MTA, development of all infrastructure relating to the projects, including BTL/BTO assets will be carried out by the Company and transferred to the Ultimate Parent at an agreed rate.

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and include the costs of:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction including the cost of construction of infrastructure; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

11 LOAN TO A JOINT VENTURE

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Emaar Dubai South DWC LLC	15,441	-	-
Investment in joint venture (note 12)	(2,425)	-	-
	13,016	-	-

Loan to a joint venture is unsecured, repayable on demand and does not carry any interest.

12 INVESTMENT IN A JOINT VENTURE

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Emaar Dubai South DWC LLC	(2,425)	-	-

The following table summarises the income statements of joint venture for the year ended 31 December:

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Revenue	-	-	-
Loss for the year	(5,150)	-	-
Total comprehensive income for the year	(5,150)	-	-
Group's share of loss for the year	(2,575)	-	-

The following table summarises the statements of financial position of joint venture as at 31 December:

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Total assets	84,392	-	-
Total liabilities	89,242	-	-
Net assets	(4,850)	-	-
Group's share of net assets	(2,425)	-	-

During 2015, the Ultimate Parent has entered into a joint venture agreement with Dubai Aviation City Corporation for the development of Emaar South project. The joint venture was incorporated in the UAE on 9 May 2016 and operates under the name of Emaar Dubai South DWC LLC ("Emaar South"), in which the Ultimate Parent has 50% interest. The entity is primarily involved in property development activities. Subsequent to reporting date, based on MTA, the Ultimate Parent has transferred its interest in BTS real estate development business of joint venture to the Company. On 28 September 2017, the joint venture partner has agreed to transfer the interest of the Ultimate Parent to the Company. However, legal formalities to transfer this interest to the Company are under process. The Group's interest in the joint venture is accounted for using the equity method accounting in the consolidated financial statements.

12 INVESTMENT IN A JOINT VENTURE (continued)

Movement in investment in joint venture is as follows:

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Investment made during the year	150	-	-
Share of results for the year	(2,575)	-	-
Excess of loss over the value of investment is presented as part of loan to joint venture	(2,425)	-	-

As at 31 December 2016, the Group's joint venture had contingent liabilities of AED 28,800 thousands and commitments of AED 2,108,288 thousands.

13 PROPERTY, PLANT AND EQUIPMENT

2016:	*Land and building AED'000*	*Computers and office equipment AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:					
At 1 January 2016	-	76	-	85,516	85,592
Additions	2,225	6	5,174	-	7,405
Transfer	56,132	-	29,384	(85,516)	-
At 31 December 2016	58,357	82	34,558	-	92,997
Accumulated depreciation:					
At 1 January 2016	-	38	-	-	38
Depreciation charge for the year (note 5)	5,349	25	5,970	-	11,344
At 31 December 2016	5,349	63	5,970	-	11,382
Net carrying amount:					
At 31 December 2016	53,008	19	28,588	-	81,615

2015:	*Land and building AED'000*	*Computers and office equipment AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:					
At 1 January 2015	-	8	-	-	8
Additions	-	68	-	-	68
Transferred from development properties (note 10)	-	-	-	85,516	85,516
At 31 December 2015	-	76	-	85,516	85,592
Accumulated depreciation:					
At 1 January 2015	-	4	-	-	4
Depreciation charge for the year (note 5)	-	34	-	-	34
At 31 December 2015	-	38	-	-	38
Net carrying amount:					
At 31 December 2015	-	38	-	85,516	85,554

13 PROPERTY, PLANT AND EQUIPMENT (continued)

2014:	*Land and building AED'000*	*Computers and office equipment AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:					
At 1 January 2014	-	8	-	-	8
At 31 December 2014	-	8	-	-	8
Accumulated depreciation:					
At 1 January 2014	-	1	-	-	1
Depreciation charge for the year (note 5)	-	3	-	-	3
At 31 December 2014	-	4	-	-	4
Net carrying amount:					
At 31 December 2014	-	4	-	-	4

14 TRADE AND OTHER PAYABLES

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Project contract cost accruals and provisions	1,780,326	1,912,552	1,903,122
Trade payables	430,521	485,397	435,068
Creditors for land purchase	344,026	-	-
Sales commission payable	54,939	47,362	45,459
Payable to authorities	18,271	54,779	54,423
Payable to related parties	4,608	1,605	129
Other payables and accruals	399,664	328,511	261,141
	3,032,355	2,830,206	2,699,342

Trade and other payables are non-interest bearing and for explanations on the Group's risk management process (refer note 24).

15 ADVANCES FROM CUSTOMERS

	2016 AED'000	*2015 AED'000*	*2014 AED'000*
Balance at the beginning of the year	7,876,668	7,323,532	3,879,270
Add: Amount billed during the year	7,157,601	5,805,978	6,583,956
Less: Revenue recognised during the year	(6,898,599)	(5,252,842)	(3,139,694)
Balance at the end of the year	8,135,670	7,876,668	7,323,532

The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied / partially unsatisfied as at 31 December 2016 is AED 28,957,805 thousands (2015: AED 24,069,940 thousands and 2014: AED 20,010,793 thousands). The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 4 to 5 years.

16 RETENTIONS PAYABLE

	2016 AED'000	2015 AED'000	2014 AED'000
Retentions payable within 12 months	193,629	148,107	223,971
Retentions payable after 12 months	225,116	283,853	183,825
	418,745	431,960	407,796

17 EMPLOYEES' END-OF-SERVICE BENEFITS

The movement in the provision for employees' end-of-service benefits was as follows:

	2016 AED'000	2015 AED'000	2014 AED'000
Balance at the beginning of the year	15,005	10,448	8,825
Provided during the year	4,323	5,012	2,948
Paid during the year	(1,938)	(455)	(1,325)
Balance at the end of the year	17,390	15,005	10,448

18 SHARE CAPITAL

	2016 AED'000	2015 AED'000	2014 AED'000
Authorised capital: 300 shares of AED 1,000 each (2015: 300 shares of AED 1,000 each 2014: 300 shares of AED 1,000 each)	300	300	300
Issued and fully paid-up: 300 shares of AED 1,000 each (2015: 300 shares of AED 1,000 each 2014: 300 shares of AED 1,000 each)	300	300	300

19 STATUTORY RESERVES

As required by the UAE Federal Commercial Companies Law No. (2) of 2015 and the Article number 16.1 of the Company's Article of Association, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the paid-up share capital. The statutory reserve has reached 50% of the paid-up share capital of the Company and therefore, the Group has ceased further transfers to this reserve.

20 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Earnings:			
Profit attributable to the owners of the Parent	2,112,403	1,742,045	1,275,647

	2016	*2015*	*2014*
Number of shares in thousands			
Weighted-average number of ordinary shares for basic and diluted earnings per share	300	300	300

	2016	*2015*	*2014*
Earnings per share:			
- basic and diluted earnings per share (AED)	7,041,343	5,806,817	4,252,157

21 GUARANTEES AND CONTINGENCIES

The Group has provided a performance guarantee of AED 3,908,818 thousands (2015: AED 2,069,723 thousands and 2014: AED 1,858,975 thousands) to the Real Estate Regulatory Authority (RERA), Dubai for its new projects as per RERA regulations.

22 COMMITMENTS

At 31 December 2016, the Group had project commitments of AED 10,976,101 thousands (2015: AED 7,174,746 thousands and 2014: AED 7,153,244 thousands). This represents the value of contracts issued at year end net of invoices received and accruals made at that date. There were certain claims submitted by contractors relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

23 RELATED PARTY DISCLOSURES

For the purpose of these consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

23 RELATED PARTY DISCLOSURES (continued)

Related party transactions
During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Ultimate Parent:			
Selling, general and administrative expenses (refer (i) below)	178,962	159,778	154,908
Affiliated entities:			
Selling, general and administrative expenses	14,533	14,848	12,219
Property development expenses	66,571	68,531	42,622
Directors, Key management personnel and their related parties:			
Selling, general and administrative expenses	-	1,050	-
Sale of property	2,281	-	43,589

Related party balances
Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Ultimate Parent and affiliated entities:			
Other assets, receivables, deposits and prepayments (refer (iii) below)	583,923	200,427	125,045
Trade and other payables	5,252	400	3,819

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Directors, Key management personnel and their related parties:			
Advance from customers	456	-	1,414
Trade receivables	-	29	-

(i) Allocation of corporate expenses:

Historically, Ultimate Parent has provided certain corporate functions to the Group and costs associated with these functions were allocated to the Group. These functions included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. The costs of such services were allocated to the Group based on the most relevant allocation method to the service provided, which includes the headcount, time / efforts spent or number of users. In situations where no allocation methodology was more appropriate than another, an even allocation between the Group and other subsidiaries of the Ultimate Parent was utilised. The charges for these functions are included in selling, general, and administrative expenses in the consolidated statement of comprehensive income.

(ii) Shareholder's contribution:

Shareholder's contribution included as part of total equity of the Company represents the Ultimate Parents' interest in the net assets of the Company. Certain allocated expenses by the Ultimate Parent have also been adjusted with in shareholder's contribution.

23 RELATED PARTY DISCLOSURES (continued)

(iii) Recoverable from Ultimate Parent:

This represents balances recoverable from the Ultimate Parent with respect to the development costs incurred for the BTS developments in Dubai Creek Harbour project. As agreed in the MTA, the Ultimate Parent has transferred the development services agreement relating to the BTS development in Dubai Creek Harbour project to the Company, for which the development costs including infrastructure costs are incurred by the Company. These balances will be recovered as per the agreed terms in the MTA.

Compensation of key management personnel
The remuneration of key management personnel during the year was as follows:

	2016 *AED'000*	*2015* *AED'000*	*2014* *AED'000*
Short-term benefits	49,597	39,002	25,363
Employees' end-of-service benefits	2,213	2,763	1,926
	51,810	41,765	27,289

During the year, the number of key management personnel is 52 (2015: 46 and 2014: 29).

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview
The Group has exposure to the following risks from its use of financial instruments:

a) Credit risk;
b) Market risk; and
c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors of Ultimate Parent has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee of the Ultimate Parent oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities, comprise retentions payable and trade and other payables. The Group has various financial assets such as bank balances and cash, trade and unbilled receivables and other receivables and deposits, which arise directly from its operations.

The Board of Directors of the Ultimate Parent reviews and agrees policies for managing each of these risks which are summarised below:

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, other receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade, unbilled and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Group earns its revenues from a large number of customers including international customers.

The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of incurred losses in respect of trade, unbilled and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Other financial assets and cash deposits
With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, loan to a joint venture, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by treasury of the Ultimate Parent in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

Guarantees
The Group's policy is to provide financial guarantees only to its subsidiary and joint ventures. For details of guarantees outstanding as at the reporting date refer note 21 to the consolidated financial statements.

Excessive risk of concentration
Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risks, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group is not exposed to any significant market risk. The Group's monetary assets are mainly denominated in AED or currency pegged against USD. Further, as at reporting date the Group does not have any financial instruments at floating interest rate.

24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations.

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of treasury of the Ultimate Parent. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings and finance lease contracts. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Financial liabilities

	Less than 3 months AED'000	*3 to 12 months AED'000*	*1 to 5 years AED'000*	*Over 5 years AED'000*	*Total AED'000*
As at 31 December 2016					
Trade and other payables	985,900	1,373,748	574,308	193,063	3,127,019
Retentions payable	34,098	159,531	225,116	-	418,745
Total undiscounted financial liabilities	1,019,998	1,533,279	799,424	193,063	3,545,764
As at 31 December 2015					
Trade and other payables	1,104,821	963,710	600,199	246,888	2,915,618
Retentions payable	23,877	124,230	283,853	-	431,960
Total undiscounted financial liabilities	1,128,698	1,087,940	884,052	246,888	3,347,578
As at 31 December 2014					
Trade and other payables	910,813	950,062	623,166	300,713	2,784,754
Retentions payable	41,570	182,401	183,825	-	407,796
Total undiscounted financial liabilities	952,383	1,132,463	806,991	300,713	3,192,550

d) Capital management

Capital includes equity attributable to the equity holders of the Ultimate Parent. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and make changes to it in light of changes in business conditions. No changes were made in the objectives, policies and procedures for managing capital during the years ended 31 December 2016, 31 December 2015 and 31 December 2014.

25 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade and unbilled receivables, loans and advances, other receivables, deposits and due from related parties. Financial liabilities of the Group include customer deposits, accounts payable, retentions payable and other payables.

Fair value of the financial instruments are included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments.

26 MATERIAL PARTLY-OWNED SUBSIDIARY

Financial information of subsidiary of the Group that has material non-controlling interest is provided below:

	Country of incorporation	*Ownership 2016*	*Ownership 2015*	*Ownership 2015*
Dubai Hills Estate LLC	UAE	50.00%	50.00%	50.00%

The following table summarises the statement of financial position of subsidiary as at 31 December 2016, 31 December 2015 and 31 December 2014. This information is based on the amounts before inter-company elimination.

	2016 AED'000	*2015 AED'000*	*2015 AED'000*
Total assets	4,298,439	2,533,831	1,392,976
Total liabilities	2,771,403	1,435,783	734,748
Total equity	1,527,036	1,098,048	658,228
Attributable to:			
Owners of the Parent	763,518	549,024	329,114
Non-controlling interest	763,518	549,024	329,114

The following table summarises statement of comprehensive income of the subsidiaries for the year ended 31 December. This information is based on the amounts before inter-company elimination.

	2016 AED'000	*2015 AED'000*	*2015 AED'000*
Revenue	1,155,620	824,808	865,033
Profit for the year	678,988	439,820	669,868
Total comprehensive income for the year	678,988	439,820	669,868
Attributable to:			
Owners of the Parent	339,494	219,910	334,934
Non-controlling interest	339,494	219,910	334,934

27 EVENTS AFTER REPORTING DATE

(i) On 9 January 2017, the Ultimate Parent has entered into a joint venture agreement with Meraas Zabeel Owned by Meraas Venture One Person Company LLC for the purpose of mix-use development in the UAE. The Ultimate Parent has 50% equity interest in the joint venture company, Zabeel Square LLC ("Zabeel Square"). Subsequent to reporting date, based on MTA, the Ultimate Parent has transferred its interest in BTS real estate development business of joint venture to the Company. On 29 September 2017, the joint venture partner has agreed to transfer the interest of the Ultimate Parent to the Company. However, legal formalities to transfer this interest are under process. The Group's interest in the BTS real estate business of the joint venture is accounted for using the equity method in the consolidated financial statements.

(ii) On 17 August 2017, the Ultimate Parent has entered into a sale and purchase agreement ("SPA") with Harbour Properties LLC to purchase 88,268 square meter of land at Dubai Harbour master plan development. Subsequently, as per the MTA the Ultimate Parent has transferred the BTS portion of land to the Group. However, legal formalities to transfer the land are under process.

(iii) On 27 September 2017, the Group has entered into 5 year Murahaba financing facility amounting to USD 1,300,000 thousands (AED 4,774,900 thousand) with First Abu Dhabi Bank PJSC (FAB).

(iv) On 17 October 2017, the Company has increased its share capital from AED 300 thousand to AED 4,000,000 thousand by conversion of shareholder's contribution into share capital.

APPENDIX A: EXECUTIVE SUMMARY OF VALUATION REPORT

JLL Valuation L.L.C
Emaar Square, Building 1, Office 603
Sheikh Zayed Road
Dubai, UAE
PO Box 214029

tel +971 4 426 6999 fax +971 4 365 3260
www.jll-mena.com

Professional License No. 769614
RERA Company No. 18731

Date 1st November 2017

Emaar Properties PJSC
Emaar Development LLC
Merrill Lynch International
EFG Hermes UAE Limited, EFG Hermes Promoting and Underwriting and EFG Hermes Brokerage UAE LLC
Emirates NBD Capital PSC
First Abu Dhabi Bank PJSC
Goldman Sachs International
(the "**Addressees**")

Proposed initial public offering by Emaar Properties PJSC ("the Company") of ordinary shares in Emaar Development PJSC (under incorporation) ("Emaar Development") (the "Offering") and proposed admission to listing on the Dubai Financial Market ("DFM") and admission to trading on the DFM of ordinary shares of Emaar Development.

Dear Sirs

We refer to the valuation prepared by us for the Company dated 30 June 2017, updated at 30 September 2017 where we have deemed there to be a material change in value in respect of certain specified properties; located in Dubai and Ras Al Khaimah, UAE ("the Properties") for the purposes of the proposed initial public offering of ordinary shares in Emaar Development and the proposed admission to listing on the DFM and admission to trading on the DFM of ordinary shares of Emaar Development ("the Valuation Report").

1. We hereby confirm that:

(i) since the effective date of our Valuation Report we have not become aware (after having made enquiry of the Company and Emaar Development) of any material change relating to the Properties covered by our Valuation Report which, if we had been aware of it at the said effective date, would have had a significant effect on our Valuation Report (including, without limitation, the valuation amount) as at that date;

(ii) the items in the prospectus prepared, and to be published, in connection with the Offering (the "**Prospectus**") that have been extracted from our Valuation Report have been properly and accurately extracted from the Valuation Report.

2. We also confirm that we are not aware of any other matter in relation to our valuation of the properties to which our Valuation Report relates which is not disclosed in the Prospectus and which we consider is required to be drawn to your attention in the context of the requirement for the Prospectus to contain all information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of Emaar Development.

3. We hereby consent to the inclusion of the Valuation Executive Summary in the Prospectus and references thereto and our name and selected references to and extracts from our Valuation Report as agreed by us in the Prospectus, an initialled copy of which in the form approved by us is attached, in the form and context

in which they are included, including the references to our having accepted responsibility for the contents of the Full Valuation Report.

Yours faithfully

Simon Brand FRICS
Head of Valuation Advisory, MENA
RERA Registration No. 39434

For and on behalf of JLL Valuation L.L.C

(Enclosure)

Project Square - Valuation

Executive Summary

This Executive Summary must be read in conjunction with our Full Report and Property Schedules.

Addressee	Emaar Properties PJSC Emaar Development LLC Merrill Lynch International EFG Hermes UAE Limited, EFG Hermes Promoting and Underwriting and EFG Hermes Brokerage UAE LLC Emirates NBD Capital PSC First Abu Dhabi Bank PJSC Goldman Sachs International

Instruction

We have been instructed by Emaar Properties PJSC to provide a revaluation of the Subject Assets, which forms a portfolio of land, developments under-construction and completed inventory as at 30 September 2017. We have been instructed by the Client to only revise valuations that have materially changed since 30 June 2017. Further details of these properties are provided within the Property Schedules.

For the avoidance of doubt we have identified at Appendix D the list of assets that have materially changed.

Our instructions include valuing three asset types as detailed below:

1. 100% Owned - Our valuation has been prepared on the basis of Market Value, defined by the RICS Valuation Standards as:

   "*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeable, prudently and without compulsion*."

2. Joint Venture (JV) – 100% of JV at Market Value and then an apportionment for Emaar's ownership has been made.

3. Joint Development Agreements (JDA) – Present Value of Emaar's forecast revenue through performance of contractual obligations. A valuation of the freehold interest has been conducted to arrive at this projected revenue. Please note Emaar do not have any real estate ownership interest in these assets.

Purpose of Valuation

Our Valuation Report together with the "bring down" letter is prepared for the purpose of inclusion in the Prospectus to be published by Emaar Development in connection with the proposed Initial Public Offering of its shares on the Dubai Financial Market.

Date of Valuation

The date of our valuation is 30 September 2017.

Basis of Valuation

Market Value, unless otherwise stated.

Valuation Standards

Our valuation has been undertaken in accordance with the RICS Valuation – Professional Standards, Global (July 2017) ("Standards") which comply with the International Valuation Standards (IVS) and also in compliance with Resolution No. 37 Regulating the Real Property Valuation Profession.

Summary of Reported Gross Asset Values

The GAV (as defined in the Transaction Prospectus) of the portfolio of assets valued by JLL, including share of JV partners, rounded as per Emaar's practice (nearest AED 100m), is:

AED 35,600,000,000 (Thirty five billion, six hundred million UAE Dirhams)

The Adjusted GAV (Emaar Development's share of GAV) of the portfolio of assets valued excluding any Management fees due under the existing JV/JDA agreements, rounded as per Emaar's practice (nearest AED 100m), is:

AED 25,400,000,000 (Twenty five billion, four hundred million UAE Dirhams)

Status of Valuer

We have acted as an External Valuer, defined in the Standards as:

"*A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment*"

For the purposes of the Standards, Simon Brand FRICS, Head of Valuation Advisory MENA is the Responsible Valuer for the assignment and the consolidated Valuation Report.

Special Assumptions

The Standards define a Special Assumption as:

"*An assumption that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date*."

Emaar Properties PJSC have instructed us to adopt certain Special Assumptions for specific assets within the Portfolio, the details of which are provided within the Property Schedules and listed at Appendix A.

The Special Assumptions adopted for the Portfolio affect the valuation reported and should be read as extra conditions attached to the definition of Market Value, where a Market Value of property is reported. It should be noted that our opinions of Market Value without these Special Assumptions, may be materially different.

Valuation Approaches

- Market Approach (used for vacant land parcels and completed inventory)
- Residual Land Valuation based on a Discounted Cash Flow (used for land plots and where projects have been launched and construction is under progress)

Further details on the methodology and inputs adopted are provided at Appendix B.

Liability

Our liability to the public investors for our final Valuation Report, shall, to the extent required by legislation and listing rules, be unlimited. Our liability to the Addressees of this Valuation Report, shall also, to the extent required by legislation and listing rules, be unlimited.

Notwithstanding the previous sentences, in the event that the Transaction does not complete our liability in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with this assignment shall, save for fraud, death and personal injury will be limited to USD 1 million in aggregate to all of the Addressees.

Reliance

Reliance is extended to the Client and the addressee banks as identified herein.

Publication

Our Valuation Report (or part thereof) or reference to our Valuation Report may only be included or quoted in any pre-offering announcement, road show materials, admission document or offering circular prepared in connection with the Transaction, with our prior written consent (such consent not to be unreasonably withheld or delayed), and the detailed wording to be included must first be reviewed by us and we must be given the opportunity to update or amend our Valuation Report (or part thereof) (as the case may be) if necessary. We will only allow limited use of our Valuation Report in promotional material.

Information Relied Upon

We have relied extensively on information provided during discussions and in hardcopy by Emaar Properties PJSC which include master plan details, areas and floor plans, project status, construction costs spent to date and costs estimated to be completed and where relevant pre-sales cash received and contractually forecast to be received. We have also relied upon third party due diligence that include, but are not limited to, third party cost consultant reports, legal and financial due diligence, RERA Registration letters/progress reports, bank statements, cost consultant reports and letters, project manager's letters and lead consultant's letters. Whilst we believe that the data collected is accurate and reliable, JLL has not as part of the valuation, performed an independent audit or review of the information gathered and does not express an opinion or any other form of assurance on the accuracy of such information. No responsibility is assumed for errors or omissions, or for information not disclosed which might otherwise affect the valuation.

We accept that our Valuation Report will be shared with the UAE Securities and Commodities Authority.

Value-Added Tax (VAT)

The UAE Minister of State for Financial Affairs, Obaid Humaid Al Tayer, announced on 25 February 2016 the intent to introduce Value Added Tax (VAT) of five per cent to certain goods and services in the UAE from 1 January 2018. So far announcements have been made that residential property, some financial services, undeveloped land and local transport will be exempt from this VAT however further details regarding implementation are yet to be announced. VAT has not been explicitly accounted for within our valuations.

Market Values

Please see Schedule of Values at Appendix C

Where Aggregate Market Values are reported they represent the sum of the individual Market Values and do not necessarily represent the Market Value of the Properties if sold as a single portfolio.

Note: If several or all of the assets making up the Portfolio were to be offered to the market at one time, or were to be developed within a similar time period, without an appropriate phasing strategy, the value of the individual assets may be less than that indicated herein. This is largely due to the greater competition and longer timeframe that may be required to absorb the units in the market.

No allowance has been made to our opinions of value for any expenses of realisation, purchasers costs or for any taxation (we note that no defined taxes currently exist or are applicable within the Emirate of Dubai for property transactions) which might arise in the event of an asset disposal.

Valuation Uncertainty

Whilst we have undertaken all reasonable efforts to understand the prevailing real estate market and to analyse relevant sale transactions as is usual for property valuation professionals acting in accordance with the RICS Valuation – Professional Standards, Global (July 2017), we draw the reader's attention to the following:

- the lack of liquidity in MENA real estate markets combined with low levels of transparency and the consequent difficulty of verifying reported transactions;
- the rapidly evolving real estate laws, regulations and planning controls relating to property and property dealings;
- the volatility of real estate investment and development markets; and
- the restricted investor base together with the significant influence of state sponsored developers and operators, in relatively small markets.

These factors result in our assessments being reliant on generally less complete and less reliable information and consequently being subject to a greater level of uncertainty than is usual in more mature markets. As such, this greater level of uncertainty must be taken into account by any parties seeking to rely or base decisions upon valuations undertaken in these circumstances.

We trust that we have carried out the valuation in accordance with your instructions, and should there be any points that require clarification, please contact the undersigned.

For and on behalf of JLL Valuation LLC

Simon Brand FRICS – RERA No. 39434
Head of Valuation Advisory – MENA Region

Appendix A: Special Assumptions Adopted by JLL

1. Special Assumptions Generic to the Portfolio

Throughout the Portfolio, where we have been provided with Granted land title information, we have applied the following Special Assumption:

- We have been instructed to assume that a Freehold title exists and we have not therefore taken into account any conversion costs levied by the Dubai Land Department for converting the title from Granted to Freehold.

Throughout the Portfolio, where we have not been provided with a copy of the Dubai Land Department title deed showing property ownership in the name of Emaar Developments, we have applied the following Special Assumption:

- We have been instructed to assume that a Freehold title exists in the name of Emaar Developments as at the date of valuation.

2. Special Assumptions specific to all 100% owned Properties

- Emaar Development's proportional freehold interest has been recorded on the Title Deed for the Plot.
- Emaar Development's proportional freehold interest is unencumbered.
- The Properties are located in a designated area permitting foreign ownership.
- The unit SPAs have been amended to allow the rights and obligations of Emaar Properties to be freely assigned.

3. Special Assumptions Adopted for the Valuation of certain Properties in Downtown Dubai, The Opera District & Dubai Marina

Emaar Properties have provided us with a copy of legal due diligence prepared by Al Tamimi & Company which, at Appendix 2, summarises financing arrangements entered in to by Emaar Development with First Abu Dhabi Bank PJSC. We understand that the facilities impose several restrictions on Emaar Development's conduct of business, including the ability to dispose of properties. Furthermore, the rights and revenues from assigned projects shall secure repayment of the facilities (there is an obligation to route revenues and prescribed insurances that are not deposited into the escrow accounts through accounts pledged in favour of the bank).

The initial assigned projects are:

- Downtown Views, Downtown Dubai
- Downtown Views II, Downtown Dubai
- FORTE, Downtown Dubai
- 52 | 42, Dubai Marina
- Vida Residences, Dubai Marina
- Act One Act Two, Downtown Dubai (The Opera District)
- The Address Dubai Opera, Downtown Dubai (The Opera District)
- Vida Dubai Mall, Downtown Dubai

- IL PRIMO, Downtown Dubai (The Opera District)

In connection with this, at the date of valuation, you have instructed us to make the following Special Assumption:

- Emaar Development's proportional freehold interest is unencumbered by the loan facility.

4. Dubai Creek Harbour – Launched Projects, Strata Freehold of Project SPV (Emaar do not own an interest in this company)

- We have had regard to the RERA registered Joint Development Agreement and have valued the effective 100% freehold to the Project SPV. Emaar Developments are entitled to receive 50% of the Net Profit/Loss as a management fee. The Net Profit/Loss is the Sales, less Land Cost, less Infrastructure Cost, less cost of construction (development + infra).

- The land cost that is liable to be paid to the owner, Dubai Holding, is agreed at AED 63/sq ft of permissible GFA, as calculated by Emaar based on the master plan density for the master plan.

- Infrastructure costs payable by Emaar Developments through the Joint Development Agreement (JDA) to third parties are confirmed by Emaar Properties PJSC to be AED 112/sq ft of permissible GFA and have been applied on a prorate basis within this valuation.

- Emaar Developments will complete the non-BTS part of the 'Launched Projects', eight of which are currently under construction and the proposed developments within the wider master development in accordance with Emaar's 5 Year plan and detailed in the Construction Roll-Out Schedule.

- Emaar Properties undertake to complete the BTO and BTL portions of the wider master development and specifically the iconic buildings (Observation Deck Tower and Mall) and the associated infrastructure. The development of all sub-plots identified in the Construction Roll-Out Schedule that shows Emaar Developments' 5 year plan. Further details include the construction completion and handover of the Mall on Plot F.001, F002 and the Tower on Plot E.001 at specific confidential dates within this 5 year plan.

- All on and off site infrastructure works including but not limited to roads, bridges, DEWA substations and cabling, metro lines and metro stations among others will be completed in accordance with the Construction Roll-Out Schedule, and development conducted after this 5 Year Plan will benefit from this infrastructure, without delay.

- The title details provided by Emaar Properties PJSC indicate that the subject title is Granted. We have been instructed to assume that a Freehold title exists and we have not therefore taken into account any conversion costs levied by the Dubai Land Department for converting the title from Granted to Freehold.

- We have made no allowance for cost of realisation or cost of operating the Joint Development Agreement in our calculations.

Calculation of Emaar's management fee in accordance with the JDA:

- We have had regard to the RERA registered Joint Development Agreement and have valued the effective 100% freehold to the Project SPV. Emaar Developments are entitled to receive 50% of the Net Profit/Loss as a management fee. The Net Profit/Loss is the Sales, less Land Cost, less Infrastructure Cost, less cost of construction (development + infra). As instructed, these have been adopted at AED 63 per sq ft of GFA for Land Cost and AED 112 per sq ft of GFA for Infrastructure Costs. We have summarised this calculation in the table below.

We have made no allowance for cost of realisation or cost of operating the Joint Development Agreement in our calculations.

5. **Dubai Creek Harbour – Remaining Land, Strata Freehold of Project SPV (Emaar do not own an interest in this company)**

- We have had regard to the RERA registered Joint Development Agreement and have valued the effective 100% freehold interest owned by The Lagoons Development LLC and the Project SPV. Emaar Developments are entitled to receive 50% of the Net Profit/Loss as a management fee. The Net Profit/Loss is the Sales, less Land Cost, less Infrastructure Cost, less cost of construction (development + infra).

- The land cost that is liable to be paid to the owner, Dubai Holding, is agreed at AED 63/sq ft of permissible GFA, as calculated by Emaar based on the master plan density for the master plan.

- Infrastructure costs payable by Emaar Developments through the Joint Development Agreement (JDA) to third parties are confirmed by Emaar Properties PJSC to be AED 112 per sq ft of permissible GFA and have been applied on a prorate basis within this valuation.

- Emaar Developments will complete the non-BTS part of the 'Launched Projects', eight of which are currently under construction and the proposed developments within the wider master development in accordance with Emaar's 5 Year plan and detailed in the Construction Roll-Out Schedule.

- Emaar Properties undertake to complete the BTO and BTL portions of the wider master development and specifically the iconic buildings (Observation Deck Tower and Mall) and the associated infrastructure and the development of all sub-plots identified in the Construction Roll-Out Schedule that shows Emaar Developments' 5 Year Plan (Appendix C). Further details include the construction completion and handover of the Mall on Plot F.001, F002 and the Tower on Plot E.001 at specific confidential dates within this 5 year plan.

- All on and off site infrastructure works including but not limited to roads, bridges, DEWA substations and cabling, metro lines and metro stations among others will be completed in accordance with the Construction Roll-Out Schedule, and development conducted after this 5 Year Plan will benefit from this infrastructure, without delay.

- The title details provided by Emaar Properties PJSC indicate that the subject title is Granted. We have been instructed to assume that a Freehold title exists and we have not therefore taken into account any conversion costs levied by the Dubai Land Department for converting the title from Granted to Freehold.

- We have made no allowance for cost of realisation or cost of operating the Joint Development Agreement in our calculations.

Calculation of Emaar's management fee in accordance with the JDA:

- We have provided some further calculations of the valuation as detailed in the commentary below. These calculations are an assessment of the RERA registered Joint Development Agreement along with the attributed projected cashflow generated from the sale of the permissible GFA of the subject sub-plots that is forecast to be received by the Project SPV. Emaar Developments are entitled to receive 50% of the Net Profit/Loss receivable by The Lagoons Development L.L.C as a management fee. The Net Profit/Loss is the Sales, less Land Cost, less Infrastructure Cost, less cost of construction (development + infra). As instructed, these costs have been adopted at AED 63 per sq ft of GFA for Land Cost and AED 112 per sq ft of GFA for Infrastructure Costs after apportionment by Emaar.

6. DHE Development Land

- Emaar Properties' interest in the Joint Venture has been transferred to Emaar Developments.

  We note that Emaar management have confirmed to Al Tamimi & Company (as part of their legal due diligence) that negotiations are ongoing and that the share transfers are expected to take place this week.

- Emaar Development will build-out and sell the following BTS Residential GFA associated with residential villa units, apartment units and serviced apartment units:

Unit Type	GFA (sq ft)
Residential Apartments	7,042,477
Villas	3,665,210
Serviced Apartments	906,859
TOTAL	**11,614,546**

- Emaar Development will construct and complete the GFA described in the table above over a five year period.

7. DHE Special Assumptions for additional NPV/analysis

Our estimate of Emaar Development's contractual share under the Joint Venture is subject to the following Special Assumptions. If these Special Assumptions are not considered, we expect the estimate of the discounted revenue of the cash flow to change materially.

- We have had regard to the Shareholders Agreement, Development Service Agreement and Addendum to Shareholder Agreement and based on our interpretation of these agreements have estimated the 100% Market Value of the freehold interest to the Joint Venture (Dubai Hills Estate LLC). Emaar Developments are entitled to receive 50% of the projected development profit following the deductions which include:

  Payment of revenue fees (2% of all sales, leasing, incomes from retail and commercial spaces and branding revenue).

  We have made no allowance for cost of reallocation or cost of operating the Joint Venture in our calculations.

8. Dubai South

- Emaar Properties instruct JLL to adopt an infrastructure apportionment provided by Arcadis Design & Consultancy in a letter addressed to Emaar Properties, dated 24 September 2017. We have summarised these rates in the table below.

Type	AED/ sq ft of GFA
Apartments	55
Serviced Apartments	55
Stacked Townhomes	126
Townhomes	126
Villas	150
Offices	55
Average Rate	**81**

- Emaar Properties will construct and complete the infrastructure (referenced in the second bullet point above) and all BTL/BTO assets in accordance with the current master plan provided to us and in a timely fashion.

- The land cost that DWC SPV is liable to pay to Dubai Aviation City Corporation, is equivalent to AED 67.08 per sq ft of permissible GFA and paid on completion of each Project, as calculated by Emaar based on the master plan density for the master plan.

- Emaar Properties instruct JLL to disregard the repayment of the investment amount. We have been informed by you that the investment amount the DWC SPV is liable to pay Emaar is only repayment of funding provided by Emaar for upfront development of infrastructure and therefore there is no additional outflow for the DWC SPV.

- We have made no allowance for cost of reallocation or cost of operating the Joint Venture in our calculations.

- We have not reflected the existing bank balance for the Project (this excludes the escrow accounts for the live projects) or any existing bank loans/liabilities not explicitly stated under the JDA.

9. Zabeel Square

- Emaar Properties' interest in the Joint Venture has been transferred to Emaar Developments.

  We note that Emaar management have confirmed to Al Tamimi & Company (as part of their legal due diligence) that negotiations are ongoing and that the share transfers are expected to take place this week.

- We have had regard to the RERA registered Joint Development Agreement between Meraas Zabeel owned by Meraas Venture One Person Company LLC and Emaar Properties PJSC. We have valued the 100% freehold interested, of which Emaar Properties PJSC are entitled to receive 50% of profits.

- We have not acknowledged the initial consideration or the Commitment Amount by Emaar PJSC to the Joint Venture Company or the existing bank balance.

- We have made no allowance for cost of reallocation or cost of operating the Joint Venture in our calculations.

10. Plot No. 27, Downtown Dubai

- The Property is to be valued in isolation, without considering the possible impact of releasing the aggregate sellable area of Plot No. B1-B2 into the market at a similar point in time.
- The project on this plot will be built-out by Emaar Development.
- The permitted land use for the plot is "Commercial/Residential" and Emaar Development will launch a high-rise residential project.
- The permitted GFA for the plot is 545,674 square feet and the permitted GFA of the BTS residential component is 518,390 square feet.
- The project will be designed to an efficiency of 80% (GFA: Sellable Area).
- The project will be launched in October 2018.
- Construction will start in December 2018.
- The remaining infrastructure cost to service the plot is AED 29.88 per square foot of BTS GFA and this will be paid by Emaar Development.

11. Plot No. B1-B2 (Plot No. 6), The Opera District

- The Property is to be valued in isolation, without considering the possible impact of releasing the sellable area of Plot No. 27 into the market at a similar point in time.
- The project on this plot will be built-out by Emaar Development.
- The permitted land use for the plot is "Commercial/Residential" and Emaar Development will launch a high-rise residential project.
- The project will be designed to an efficiency of 80% (GFA: Sellable Area).
- The project will be launched in July (Phase 1) and September (Phase 2) 2018.
- Construction will start in September 2018.
- The remaining infrastructure cost to service the plot is AED 108.37 per square foot of BTS GFA and this will be paid by Emaar Development.

12. Plot No. B4 (Plot No. 7), The Opera District

- The project on this plot will be built-out by Emaar Development.
- Emaar Development will launch a high-rise hospitality and serviced apartment project.
- The permitted GFA of the BTS residential component is 984,001 square feet.
- The project will be designed to an efficiency of 77% (GFA: Sellable Area).
- The project will be launched in October 2017.
- Construction will start in December 2017.

- The remaining infrastructure cost to service the plot is AED 108.37 per square foot of BTS GFA and this will be paid by Emaar Development.

13. Arabian Ranches

For land plot PA03 & PA04, Emaar Developments will build out the residential construction projects at the Property based on the following:

- 210 townhouses to be developed on PA03 and 138 townhouses to be developed on PA04.
- A ratio of Allowable GFA (Dubai Municipality) to BTS GFA (Emaar Project GFA) of 77% for PA03 and PA04.
- Hard construction costs at AED 450 per sq ft of BTS GFA and soft costs at 5% of hard costs.
- The land infrastructure cost that Emaar has provided is AED 82/sq ft on net land areas of 538,438 sq ft (PA03) and 340,272 sq ft (PA04).
- All units in the development will be sold before construction is complete over a 25 month period in total.

Appendix B: Schedule of Methodology and Inputs

Completed Inventory

Ownership Structure	Master Development	Methodology	Unsold Units (No. & Sellable Area)**	Revenue from Sales	Special Assumptions
100% Owned with Master Plan	Downtown Dubai	Comparables	85 (244,746 sq ft)	707,230,000	No
	Arabian Ranches	Comparables	14 (48,887 sq ft)	77,550,000	No
	Dubai Marina	Comparables	20 (76,104 sq ft)	114,070,000	No
	Emirates Living	Comparables	1 (1,219 sq ft)	2,020,000	No
100% Owned Land Bank without Master Plan	Al Marjan, RAK				
100% Consolidated JVs	Dubai Hills Estate (JV)	Comparables	3 (58,785 sq ft)	134,200,000	No
JVs/JDA With 50% Share	Dubai Creek Harbour (JDA)				
	Emaar South (JDA)				
	Zabeel Square (JV)				

*Dubai Land Department site areas
**Includes apartments, townhouses, villas and offices

Under Construction

Ownership Structure	Master Development	Methodology	Sold Units (No. & Sellable Area)**	Unsold Units (No. & Sellable Area)**	Revenue from Sales**	ESCROW Balance	Construction Costs***	Contingency Costs****	Sales & Marketing Costs (% of Revenue)*****	Discount Rate	Special Assumptions
100% Owned with Master Plan	Downtown Dubai*	DCF	7,947 (10,230,173 sq ft)	1,599 (2,544,044 sq ft)	21,391,388,402	6,354,345,230	14,595,208,457	0-10%	4-6%	6-12%	No
	Arabian Ranches	DCF	921 (2,629,128 sq ft)	236 (727,439 sq ft)	2,145,296,620	326,562,879	804,626,182	0-10%	8%	6.5-12%	No
	Dubai Marina	DCF	795 (867,105 sq ft)	46 (51,664 ft)	1,552,352,220	292,936,081	1,156,735,546	5-10%	6%	9-10.5%	Yes
	Emirates Living	DCF	554 (762,794 sq ft)	8 (10,105 sq ft)	342,663,413	430,777,458	377,315,356	5%	6%	6.50%	No
100% Owned Land Bank without Master Plan	Al Marjan, RAK										
100% Consolidated JVs	Dubai Hills Estate (JV)	DCF	4,818 (9,804,390 sq ft)	1,893 (2,460,187 sq ft)	14,355,989,161	2,312,077,480	7,996,630,736	2.5-10%	8%	8.5-12.5%	No
JVs/JDA With 50% Share	Dubai Creek Harbour (JDA)	DCF	3,537 (3,755,562 sq ft)	2,571 (3,379,578 sq ft)	11,513,056,179	1,032,419,287	7,237,972,168	5-10%	4%	9.5-13%	Yes
	Emaar South (JDA)	DCF	832 (959,989 sq ft)	583 (851,679 sq ft)	1,619,009,432	115,359,287	1,091,425,014	5-10%	6%	11.5-15%	Yes
	Zabeel Square (JV)										

*Revenue and sold units in Downtown include Vida Dubai Mall launched in July
**Includes apartments, townhouses and villas - only includes future cashflows (Balance to be received and future sales as per JLL's market assumptions)
***Includes contingency
****Not applied to infrastructure
*****Agent, DLD and marketing costs

Land Bank

Ownership Structure	Master Development	Methodology	Available Land Plots (Permissible GFA)***	Revenue from Sales	Construction Costs****	Contingency Costs*****	Sales Costs and Marketing (% of Revenue)******	Discount Rate	Special Assumptions
100% Owned with Master Plan	Downtown Dubai	DCF	2,884,110	6,565,752,811	3,301,809,292	10%	6%	15.00%	Yes
	Arabian Ranches	DCF	641,772*	812,879,475	405,615,241	10%	8%	11.00%	Yes
	Dubai Marina								
	Emirates Living	DCF / Comparables	193,083	233,659,776	9,663,254	10%	6%	6.50%	No
100% Owned Land Bank without Master Plan	Al Marjan, RAK	Comparables	1,748,477	170,000,000**	n/a	n/a	n/a	n/a	No
100% Consolidated JVs	Dubai Hills Estate (JV)	DCF / Comparables	42,515,471	22,233,304,429	11,317,662,929	10%	4-6%	6.50-15.00%	Yes
JVs/JDA With 50% Share	Dubai Creek Harbour (JDA)	DCF / Comparables	145 (79,778,383 sq ft)	35,903,881,741	n/a	n/a	3%	10.00%	Yes
	Emaar South (JDA)	DCF / Comparables	29,624,541	5,083,989,312	n/a	n/a	3%	12.00%	Yes
	Zabeel Square (JV)	Comparables	2,014,001	479,400,000**	n/a	n/a	n/a	n/a	Yes

*Sellable area not GFA
**Represents land value
***BTS component
****Includes contingency
*****Not applied to infrastructure, with the exception of DCH where contingency is included within the infrastructure costs provided by Emaar. This has not been calculated or added to any of our costs. i.e. not a JLL assumption
******Agent, DLD and marketing costs

Appendix C: Schedule of Values

No.	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
1	Al Marjan Island - Ras Al Khaimah	Development Land 1	Land parcels	100%	GFA	1,748,477	Market (comparable method)	170,000,000	170,000,000	170,000,000	N/A	
2	Arabian Ranches	Aseel Villas	Property Under Development	100%	GFA	210,176	Income (DCF method)	146,900,000	146,900,000	146,900,000	N/A	
3	Arabian Ranches	La Avenida 2	Completed Inventory	100%	TA	31,621	Market (comparable method)	46,740,000	46,740,000	46,740,000	N/A	1
4	Arabian Ranches	CASA	Completed Inventory	100%	TA	16,901	Market (comparable method)	18,610,000	18,610,000	18,610,000	N/A	1
5	Arabian Ranches	Palma	Completed Inventory	100%	TA	10,615	Market (comparable method)	12,200,000	12,200,000	12,200,000	N/A	1
6	Arabian Ranches 2	Land Plots PA03 & PA04	Land parcels	100%	GFA	641,772	Market (comparable method)	223,840,000	223,840,000	223,840,000	N/A	
7	Arabian Ranches 2	ROSA	Property Under Development	100%	GFA	543,599	Income (DCF method)	52,600,000	52,600,000	52,600,000	N/A	
8	Arabian Ranches 2	LILA	Property Under Development	100%	GFA	573,553	Income (DCF method)	116,800,000	116,800,000	116,800,000	N/A	
9	Arabian Ranches 2	RASHA	Property Under Development	100%	GFA	523,899	Income (DCF method)	249,100,000	249,100,000	249,100,000	N/A	
10	Arabian Ranches 2	YASMIN	Property Under Development	100%	GFA	375,066	Income (DCF method)	175,000,000	175,000,000	175,000,000	N/A	
11	Arabian Ranches 2	Samara (Rozana)	Property Under Development	100%	GFA	467,319	Income (DCF method)	329,400,000	329,400,000	329,400,000	N/A	
12	Arabian Ranches 2	AZALEA	Property Under Development	100%	GFA	264,151	Income (DCF method)	175,400,000	175,400,000	175,400,000	N/A	
13	Arabian Ranches 2	Reem	Property Under Development	100%	GFA	398,804	Income (DCF method)	169,400,000	169,400,000	169,400,000	N/A	
14	Downtown Dubai	Plot No. 27 (345-843)	Land parcels	100%	GFA	518,390	Market (comparable method)	231,500,000	231,500,000	231,500,000	N/A	
15	Downtown Dubai	The Address Sky View	Property Under Development	100%	GFA	1,345,334	Income (DCF method)	788,300,000	788,300,000	788,300,000	N/A	

No.	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
16	Downtown Dubai	Burj Vista	Property Under Development	100%	GFA	1,034,185	Income (DCF method)	367,800,000	367,800,000	367,800,000	N/A	
17	Downtown Dubai	The Address Boulevard	Property Under Development	100%	GFA	887,363	Income (DCF method)	217,400,000	217,400,000	217,400,000	N/A	
19	Downtown Dubai	Fountain Views 2	Property Under Development	100%	GFA	553,385	Income (DCF method)	77,900,000	77,900,000	77,900,000	N/A	
20	Downtown Dubai	Fountain Views 3	Property Under Development	100%	GFA	516,627	Income (DCF method)	32,000,000	32,000,000	32,000,000	N/A	
21	Downtown Dubai	Vida Downtown	Property Under Development	100%	GFA	663,500	Income (DCF method)	507,700,000	507,700,000	507,700,000	N/A	
22	Downtown Dubai	Boulevard Point	Property Under Development	100%	GFA	935,465	Income (DCF method)	290,700,000	290,700,000	290,700,000	N/A	
23	Downtown Dubai	BLVD Crescent	Property Under Development	100%	GFA	617,596	Income (DCF method)	505,200,000	505,200,000	505,200,000	N/A	
24	Downtown Dubai	Vida Dubai Mall Serviced Apartments	Property Under Development	100%	GFA	504,119	Income (DCF method)	447,300,000	447,300,000	447,300,000	N/A	
25	Downtown Dubai	Vida Dubai Mall Branded Residences	Property Under Development	100%	GFA	305,712	Income (DCF method)	Incl. within VDM	Incl. within VDM	Incl. within VDM	N/A	
26	Downtown Dubai	Boulevard Heights 1 & 2	Property Under Development	100%	GFA	988,774	Income (DCF method)	722,000,000	722,000,000	722,000,000	N/A	
27	Downtown Dubai	IL PRIMO	Property Under Development	100%	GFA	956,338	Income (DCF method)	770,300,000	770,300,000	770,300,000	N/A	
28	Downtown Dubai	Act One Act Two	Property Under Development	100%	GFA	990,012	Income (DCF method)	516,200,000	516,200,000	516,200,000	N/A	
29	Downtown Dubai	Downtown Views	Property Under Development	100%	GFA	745,762	Income (DCF method)	449,800,000	449,800,000	449,800,000	N/A	
30	Downtown Dubai	Downtown Views II	Property Under Development	100%	GFA	1,939,382	Income (DCF method)	786,500,000	786,500,000	786,500,000	N/A	2
31	Downtown Dubai	Burj Khalifa Residence	Completed Inventory	100%	TA	100,480	Market (comparable method)	254,740,000	254,740,000	254,740,000	N/A	1
32	Downtown Dubai	Armani Residences	Completed Inventory	100%	TA	32,625	Market (comparable method)	114,080,000	114,080,000	114,080,000	N/A	1
33	Downtown Dubai	Burj Khalifa Corporate Suites	Completed Inventory	100%	TA	91,973	Market (comparable method)	278,790,000	278,790,000	278,790,000	N/A	1

No.	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
34	Downtown Dubai	BLVD Plaza Tower 2	Completed Inventory	100%	TA	15,365	Market (comparable method)	38,400,000	38,400,000	38,400,000	N/A	1
35	Downtown Dubai	Standpoint	Completed Inventory	100%	TA	1,197	Market (comparable method)	2,180,000	2,180,000	2,180,000	N/A	
36	Downtown Dubai	29 Boulevard	Completed Inventory	100%	TA	5,816	Market (comparable method)	11,440,000	11,440,000	11,440,000	N/A	1
37	Downtown Dubai	Old Town Burj - Kamoon	Completed Inventory	100%	TA	1,060	Market (comparable method)	1,900,000	1,900,000	1,900,000	N/A	
38	Downtown Dubai	South Ridge (Residence III)	Completed Inventory	100%	TA	3,509	Market (comparable method)	5,700,000	5,700,000	5,700,000	N/A	
39	Dubai Creek Harbour	Development Land 2	Land parcels	No ownership, JDA only	GFA	79,778,383	Income (DCF method)	11,270,000,000	6,145,000,000	3,072,633,736	N/A	3 & 4
40	Dubai Creek Harbour	Dubai Creek Residences	Property Under Development	No ownership, JDA only	GFA	1,734,445	Income (DCF method)	805,000,000	541,000,000	270,630,946	N/A	3 & 4
41	Dubai Creek Harbour	Harbour Views	Property Under Development	No ownership, JDA only	GFA	1,051,543	Income (DCF method)	470,000,000	340,000,000	170,072,153	N/A	3 & 4
42	Dubai Creek Harbour	Creekside 18	Property Under Development	No ownership, JDA only	GFA	716,790	Income (DCF method)	240,000,000	134,000,000	66,914,225	N/A	3 & 4
43	Dubai Creek Harbour	Creek Horizon	Property Under Development	No ownership, JDA only	GFA	739,677	Income (DCF method)	290,000,000	207,000,000	103,540,156	N/A	3 & 4
44	Dubai Creek Harbour	The Cove	Property Under Development	No ownership, JDA only	GFA	1,360,573	Income (DCF method)	498,000,000	355,000,000	177,520,346	N/A	3 & 4
45	Dubai Creek Harbour	Creek Rise	Property Under Development	No ownership, JDA only	GFA	691,426	Income (DCF method)	120,000,000	35,000,000	17,490,417	N/A	3 & 4
46	Dubai Creek Harbour	Harbour Gate	Property Under Development	No ownership, JDA only	GFA	651,213	Income (DCF method)	230,000,000	147,000,000	73,723,839	N/A	3 & 4

No.	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
47	Dubai Creek Harbour	Creek Gate	Property Under Development	No ownership, JDA only	GFA	617,531	Income (DCF method)	219,000,000	145,000,000	72,566,162	N/A	3 & 4
48	Dubai Creek Harbour	17 Icon Bay	Property Under Development	No ownership, JDA only	GFA	425,774	Income (DCF method)	90,000,000	53,000,000	26,280,366	N/A	3 & 4
49	Dubai Creek Harbour	Address Harbour Tower	Property Under Development	No ownership, JDA only	GFA	1,075,377	Income (DCF method)	320,000,000	237,000,000	118,737,874	N/A	3 & 4
50	Dubai Hills Estate	Development Land 3	Land parcels	50% via JV + DSA	GFA	39,033,133	Income (DCF method)	4,205,000,000	3,998,000,000	1,999,000,000	207,054,204	5
51	Dubai Hills Estate	Views and Grove Villas	Property Under Development	50% via JV + DSA	GFA	1,122,220	Income (DCF method)	267,000,000	254,700,000	127,350,000	12,317,896	5
52	Dubai Hills Estate	Mulberry Park Heights	Property Under Development	50% via JV + DSA	GFA	1,085,248	Income (DCF method)	286,600,000	270,500,000	135,250,000	16,093,509	5
53	Dubai Hills Estate	Acacia Park Heights	Property Under Development	50% via JV + DSA	GFA	846,419	Income (DCF method)	267,200,000	253,000,000	126,500,000	14,174,762	5
54	Dubai Hills Estate	Maple 1	Property Under Development	50% via JV + DSA	GFA	1,215,738	Income (DCF method)	876,300,000	849,400,000	424,700,000	26,833,325	5
55	Dubai Hills Estate	Maple 2	Property Under Development	50% via JV + DSA	GFA	1,229,258	Income (DCF method)	825,300,000	796,900,000	398,450,000	28,439,637	5
56	Dubai Hills Estate	Maple 3	Property Under Development	50% via JV + DSA	GFA	1,029,881	Income (DCF method)	530,000,000	507,100,000	253,550,000	22,877,712	5
57	Dubai Hills Estate	Park Point	Property Under Development	50% via JV + DSA	GFA	424,946	Income (DCF method)	125,800,000	118,500,000	59,250,000	7,299,251	5
58	Dubai Hills Estate	Fairway Vista Villas	Property Under Development	50% via JV + DSA	GFA	502,931	Income (DCF method)	437,300,000	422,600,000	211,300,000	14,723,267	5
59	Dubai Hills Estate	Parkway Vistas Villas	Property Under Development	50% via JV + DSA	GFA	459,370	Income (DCF method)	353,200,000	339,200,000	169,600,000	13,985,141	5
60	Dubai Hills Estate	Park Height I	Property Under Development	50% via JV + DSA	GFA	270,260	Income (DCF method)	45,100,000	40,400,000	20,200,000	4,681,070	5
61	Dubai Hills Estate	Park Height II	Property Under Development	50% via JV + DSA	GFA	531,776	Income (DCF method)	120,700,000	111,700,000	55,850,000	8,981,777	5
62	Dubai Hills Estate	Sidra 1	Property Under Development	50% via JV + DSA	GFA	1,291,737	Income (DCF method)	854,400,000	825,100,000	412,550,000	29,314,105	5
63	Dubai Hills Estate	Sidra 2	Property Under Development	50% via JV + DSA	GFA	1,127,673	Income (DCF method)	690,800,000	663,200,000	331,600,000	27,586,243	5
64	Dubai Hills Estate	Fairway Land Plot	Completed Inventory	50% via JV + DSA	Site Area	1,628,462	Income (DCF method)	23,200,000	21,000,000	10,500,000	2,227,930	5

No.	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
65	Dubai Hills Estate	Parkway Land Plot	Completed Inventory	50% via JV + DSA	Site Area	1,411,734	Income (DCF method)	194,400,000	189,200,000	94,600,000	5,158,296	5
66	Dubai Hills Estate	Views and Grove Land Plot	Completed Inventory	50% via JV + DSA	Site Area	1,341,145	Income (DCF method)	607,100,000	603,200,000	301,600,000	3,943,935	5
67	Dubai Hills Estate	Views and Grove 'Model' Villas	Completed Inventory	50% via JV + DSA	SA	58,785	Market (comparable method)	134,200,000	131,500,000	65,750,000	2,684,000	1 & 5
68	Dubai Hills Estate	Park Ridge	Property Under Development	50% via JV + DSA	GFA	1,071,032	Income (DCF method)	271,300,000	252,600,000	126,300,000	18,653,570	5
69	Dubai Hills Estate	Sidra 3	Property Under Development	50% via JV + DSA	GFA	881,928	Income (DCF method)	407,900,000	388,600,000	194,300,000	19,310,138	5
70	Dubai Marina	52 | 42 (Fifty-Two Forty-Two)	Property Under Development	100%	GFA	728,740	Income (DCF method)	336,800,000	336,800,000	336,800,000	N/A	
71	Dubai Marina	VIDA Residences	Property Under Development	100%	GFA	497,001	Income (DCF method)	198,500,000	198,500,000	198,500,000	N/A	
72	Dubai Marina	Marina Plaza	Completed Inventory	100%	TA	76,104	Market (comparable method)	114,070,000	114,070,000	114,070,000	N/A	1
73	Emaar South	Development Land 4	Land parcels	No ownership, JDA (50% profit share)	GFA	29,624,541	Income (DCF method)	961,800,000	170,000,000	85,000,000	34,557,786	3 & 4
74	Emaar South	URBANA I	Property Under Development	No ownership, JDA (50% profit share)	GFA	384,364	Income (DCF method)	85,300,000	59,600,000	29,800,000	4,989,055	3 & 4
75	Emaar South	URBANA II	Property Under Development	No ownership, JDA (50% profit share)	GFA	282,489	Income (DCF method)	75,700,000	57,100,000	28,550,000	3,864,629	3 & 4
76	Emaar South	URBANA III	Property Under Development	No ownership, JDA (50% profit share)	GFA	435,125	Income (DCF method)	98,000,000	72,100,000	36,050,000	5,295,596	3 & 4
77	Emaar South	Golf Views	Property Under Development	No ownership, JDA (50% profit share)	GFA	324,448	Income (DCF method)	57,900,000	37,500,000	18,750,000	4,028,896	3 & 4

No.	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
78	Emaar South	Golf Links	Property Under Development	No ownership, JDA (50% profit share)	GFA	492,829	Income (DCF method)	122,600,000	93,300,000	46,650,000	7,040,147	3 & 4
79	Emirates Hills	Emirates Hills Land Plot	Completed Inventory	100%	Site Area	16,428	Market (comparable method)	16,400,000	16,400,000	16,400,000	N/A	
80	Emirates Hills	Montgomerie Villas Land Plot	Completed Inventory	100%	Site Area	241,369	Income (DCF method)	173,600,000	173,600,000	173,600,000	N/A	
81	The Hills	The Hills	Property Under Development	100%	GFA	720,273	Income (DCF method)	383,000,000	383,000,000	383,000,000	N/A	
82	The Hills	VIDA Residences, The Hills	Property Under Development	100%	GFA	255,753	Income (DCF method)	Incl. within The Hills	Incl. within The Hills	Incl. within The Hills	N/A	
83	The Opera District	Opera Grand	Property Under Development	100%	GFA	637,012	Income (DCF method)	1,205,000,000	1,205,000,000	1,205,000,000	N/A	
84	Downtown Dubai	FORTE	Property Under Development	100%	GFA	1,367,566	Income (DCF method)	699,200,000	699,200,000	699,200,000	N/A	
85	The Opera District	The Address Residences Dubai Opera	Property Under Development	100%	GFA	1,387,107	Income (DCF method)	1,647,000,000	1,647,000,000	1,647,000,000	N/A	
86	The Opera District	Plot Nos. B1-B2 & B4 (part of 345-6900)	Land parcels	100%	GFA	2,365,720	Market (comparable method)	1,199,400,000	1,199,400,000	1,199,400,000	N/A	1
87	The Views	Panorama at The Views	Completed Inventory	100%	TA	1,350	Market (comparable method)	2,020,000	2,020,000	2,020,000	N/A	
88	Zaabeel Square	Plot No. 325-587	Land parcels	50% via JV + DSA	GFA	2,014,001	Market (comparable method)	512,400,000	479,400,000	239,700,000	32,800,000	
	SUB-TOTAL					**206,818,550**		**43,267,310,000**	**35,623,210,000**	**25,451,620,220**	**578,915,877**	
Liabilities												
18	Downtown Dubai	Fountain Views 1	Property Under Development	100%	GFA	549,020	Income (DCF method)	-31,100,000	-31,100,000	-31,100,000	N/A	
	TOTAL					**207,367,570**		**43,236,210,000**	**35,592,110,000**	**25,420,520,220**	**578,915,877**	

Notes

GFA	Gross Floor Area - sourced from "Emaar Dev Co [V4]".
SA	Sellable Area - sourced from floor plans.
TA	Total Area - sourced from "Unit by Unit Details - Unsold Units 30 June 2017 - Completed [V4]". Total Area is (Net) Sellable Area + balconies/terraces + garage/car port (for villas). It does not include garden area.
Site Area	Site Area - sourced from Title Deeds and "Unit by Unit Details - Unsold Units 30 June 2017 - Completed [V4]" (5 sq ft lower due to rounding) in the case of Emirates Hills and "DHE – Unsold plots infra" in the case of Dubai Hills Estate land plots.
1	The GAV is the arithmetical sum of the Market Value of the individual units we have been instructed to value, not the Market Value of the units if sold together as a single lot/portfolio (which would be lower).
2	ED have signed an SPA but do not currently own the land. The title to the land will be transferred to ED once the instalments under the payment plan have been made.
3	Per your instructions, the GAV is the estimated gross cash flow from the BTS residential GFA component of the project/community. To derive ED's interest per the JV/JDA/DSA, certain adjustments have been made to the GAV which are detailed in the Property Schedule.
4	ED have no ownership/interest in the land and therefore the figure reported is not a real estate valuation and has not been prepared in accordance with the RICS Valuation - Professional Standards, Global - July 2017.
5	To derive ED's interest per the JV/DSA, certain adjustments have been made to the GAV which are detailed in the Property Schedule.

Appendix D: Schedule of Materially Changed Values

*Reference no. as per Appendix C: Schedule of Values

No.*	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
7	Arabian Ranches 2	ROSA	Property Under Development	100%	GFA	543,599	Income (DCF method)	52,600,000	52,600,000	52,600,000	N/A	
8	Arabian Ranches 2	LILA	Property Under Development	100%	GFA	573,553	Income (DCF method)	116,800,000	116,800,000	116,800,000	N/A	
9	Arabian Ranches 2	RASHA	Property Under Development	100%	GFA	523,899	Income (DCF method)	249,100,000	249,100,000	249,100,000	N/A	
11	Arabian Ranches 2	Samara (Rozana)	Property Under Development	100%	GFA	467,319	Income (DCF method)	329,400,000	329,400,000	329,400,000	N/A	
16	Downtown Dubai	Burj Vista	Property Under Development	100%	GFA	1,034,185	Income (DCF method)	367,800,000	367,800,000	367,800,000	N/A	
17	Downtown Dubai	The Address Boulevard	Property Under Development	100%	GFA	887,363	Income (DCF method)	217,400,000	217,400,000	217,400,000	N/A	
18	Downtown Dubai	Fountain Views 1	Property Under Development	100%	GFA	549,020	Income (DCF method)	-31,100,000	-31,100,000	-31,100,000	N/A	
20	Downtown Dubai	Fountain Views 3	Property Under Development	100%	GFA	516,627	Income (DCF method)	32,000,000	32,000,000	32,000,000	N/A	
30	Downtown Dubai	Downtown Views II	Property Under Development	100%	GFA	1,939,382	Income (DCF method)	786,500,000	786,500,000	786,500,000	N/A	2
46	Dubai Creek Harbour	Harbour Gate	Property Under Development	No ownership, JDA only	GFA	651,213	Income (DCF method)	230,000,000	147,000,000	73,723,839	N/A	3 & 4
41	Dubai Creek Harbour	Harbour Views	Property Under Development	No ownership, JDA only	GFA	1,051,543	Income (DCF method)	470,000,000	340,000,000	170,072,153	N/A	3 & 4
42	Dubai Creek Harbour	Creekside 18	Property Under Development	No ownership, JDA only	GFA	716,790	Income (DCF method)	240,000,000	134,000,000	66,914,225	N/A	3 & 4
43	Dubai Creek Harbour	Creek Horizon	Property Under Development	No ownership, JDA only	GFA	739,677	Income (DCF method)	290,000,000	207,000,000	103,540,156	N/A	3 & 4
39	Dubai Creek Harbour	Development Land 2	Property Under Development	No ownership, JDA only	GFA	79,778,383	Income (DCF method)	11,270,000,000	6,145,000,000	3,072,633,736	N/A	3 & 4

No.*	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
45	Dubai Creek Harbour	Creek Rise	Property Under Development	No ownership, JDA only	GFA	691,426	Income (DCF method)	120,000,000	35,000,000	17,490,417	N/A	3 & 4
48	Dubai Creek Harbour	17 Icon Bay	Property Under Development	No ownership, JDA only	GFA	425,774	Income (DCF method)	90,000,000	53,000,000	26,280,366	N/A	3 & 4
49	Dubai Creek Harbour	Address Harbour Tower	Property Under Development	No ownership, JDA only	GFA	1,075,377	Income (DCF method)	320,000,000	237,000,000	118,737,874	N/A	3 & 4
50	Dubai Hills Estate	Development Land 3	Land parcels	50% via JV + DSA	GFA	39,033,133	Income (DCF method)	4,205,000,000	3,998,000,000	1,999,000,000	207,054,204	5
51	Dubai Hills Estate	Views and Grove Villas	Property Under Development	50% via JV + DSA	GFA	1,122,220	Income (DCF method)	267,000,000	254,700,000	127,350,000	12,317,896	5
53	Dubai Hills Estate	Acacia Park Heights	Property Under Development	50% via JV + DSA	GFA	846,419	Income (DCF method)	267,200,000	253,000,000	126,500,000	14,174,762	5
56	Dubai Hills Estate	Maple 3	Property Under Development	50% via JV + DSA	GFA	1,029,881	Income (DCF method)	530,000,000	507,100,000	253,550,000	22,877,712	5
57	Dubai Hills Estate	Park Point	Property Under Development	50% via JV + DSA	GFA	424,946	Income (DCF method)	125,800,000	118,500,000	59,250,000	7,299,251	5
60	Dubai Hills Estate	Park Height I	Property Under Development	50% via JV + DSA	GFA	270,260	Income (DCF method)	45,100,000	40,400,000	20,200,000	4,681,070	5
61	Dubai Hills Estate	Park Height II	Property Under Development	50% via JV + DSA	GFA	531,776	Income (DCF method)	120,700,000	111,700,000	55,850,000	8,981,777	5
64	Dubai Hills Estate	Fairway Land Plot	Completed Inventory	50% via JV + DSA	Site Area	1,628,462	Income (DCF method)	23,200,000	21,000,000	10,500,000	2,227,930	5
65	Dubai Hills Estate	Parkway Land Plot	Completed Inventory	50% via JV + DSA	Site Area	1,411,734	Income (DCF method)	194,400,000	189,200,000	94,600,000	5,158,296	5
68	Dubai Hills Estate	Park Ridge	Property Under Development	50% via JV + DSA	GFA	1,071,032	Income (DCF method)	271,300,000	252,600,000	126,300,000	18,653,570	5
69	Dubai Hills Estate	Sidra 3	Property Under Development	50% via JV + DSA	GFA	881,928	Income (DCF method)	407,900,000	388,600,000	194,300,000	19,310,138	5
74	Emaar South	URBANA I	Property Under Development	No ownership, JDA (50% profit share)	GFA	384,364	Income (DCF method)	85,300,000	59,600,000	29,800,000	4,989,055	3 & 4
75	Emaar South	URBANA II	Property Under Development	No ownership, JDA (50%	GFA	282,489	Income (DCF method)	75,700,000	57,100,000	28,550,000	3,864,629	3 & 4

No.*	Community	Project	Type	Land Ownership	BTS Basis	BTS Area Valued (Sq Ft)	Approach	Market Value (AED)	GAV (AED)	ED's Share of GAV (AED)	JDA/DSA Fee (AED)	Notes
				profit share)								
77	Emaar South	Golf Views	Property Under Development	No ownership, JDA (50% profit share)	GFA	324,448	Income (DCF method)	57,900,000	37,500,000	18,750,000	4,028,896	3 & 4
78	Emaar South	Golf Links	Property Under Development	No ownership, JDA (50% profit share)	GFA	492,829	Income (DCF method)	122,600,000	93,300,000	46,650,000	7,040,147	3 & 4

Notes	
GFA	Gross Floor Area - sourced from "Emaar Dev Co [V4]".
SA	Sellable Area - sourced from floor plans.
TA	Total Area - sourced from "Unit by Unit Details - Unsold Units 30 June 2017 - Completed [V4]". Total Area is (Net) Sellable Area + balconies/terraces + garage/car port (for villas). It does not include garden area.
Site Area	Site Area - sourced from Title Deeds and "Unit by Unit Details - Unsold Units 30 June 2017 - Completed [V4]" (5 sq ft lower due to rounding) in the case of Emirates Hills and "DHE – Unsold plots infra" in the case of Dubai Hills Estate land plots.
1	The GAV is the arithmetical sum of the Market Value of the individual units we have been instructed to value, not the Market Value of the units if sold together as a single lot/portfolio (which would be lower).
2	ED have signed an SPA but do not currently own the land. The title to the land will be transferred to ED once the instalments under the payment plan have been made.
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5	To derive ED's interest per the JV/DSA, certain adjustments have been made to the GAV which are detailed in the Property Schedule.

COMPANY

Emaar Development PJSC
Building 3, Emaar Square
Downtown Dubai/P.O. Box 9440
Dubai, UAE

SELLING SHAREHOLDER

Emaar Properties PJSC
Building 3, Sheikh Zayed Road
Emaar Business Park, P.O. Box 9440
Dubai UAE

FINANCIAL ADVISER

N M Rothschild & Sons Limited
New Court
St Swithin's Lane
London EC4N 8AL
United Kingdom

JOINT GLOBAL COORDINATORS

EFG Hermes UAE Limited
Gate Building
West Wing, 6th Floor
P.O. Box 30727
DIFC, Dubai
UAE

Emirates NBD Capital PSC
Gate Building
West Wing, Level 12
P.O. Box 506710
DIFC, Dubai
UAE

First Abu Dhabi Bank PJSC
FAB Building
Khalifa Business Park—Al Qurm District
P.O. Box 6316
Abu Dhabi
UAE

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London, EC4A 2BB
United Kingdom

LEGAL ADVISERS

To the Company as to English and U.S. law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

To the Company as to UAE law

Al Tamimi & Company
6th Floor, Building 4 East
Dubai International Financial Centre
P.O. Box 9275
Dubai, United Arab Emirates

To the Joint Global Coordinators as to English and U.S. law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

To the Joint Global Coordinators as to UAE law

Allen & Overy LLP
5th Floor
Al Mamoura Building B
Muroor Road
P.O. Box 7907
Abu Dhabi, United Arab Emirates

AUDITORS TO THE COMPANY

Ernst & Young Middle East, Dubai Branch
Al Saqr Business Tower
Sheikh Zayed Road
P.O. Box 9267
Dubai, United Arab Emirates

Merrill Corporation Ltd, London
17-24344-1