DAR AL SHARIA

بِسْمِ اللهِ الرَّحْمٰنِ الرَّحِيْمِ

31st October 2017

To,
Emaar Development PJSC,
Dubai, UAE

Subject: Sharia Compliance of shares of Emaar Development PJSC

Dear Sir,

Assalamu Alaikum,

We have reviewed the proposed offer to sell shares in Emaar Development PJSC (the "**Company**") to ascertain the Sharia compliance nature of the Company's share for an investor.

Based on review we confirm that the shares of the Company being offered are in compliance with the generally acceptable criteria for Sharia compliant shares as set out in the AAOIFI Sharia Standard[1].

Summary of the review is provided below, for the purpose of review the latest financial statements dated 30th September 2017 were provided by the Company.

[1] AAOIFI Sharia Standard primarily refers to the Sharia Standard No. 21 Financial Paper (Shares and Bonds).

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(i) **Objective of the Company:**
In accordance with the articles of association of the Company, the principal business activities of the Company are buying and Selling real estate and the lease and managing of self-owned property.

The above activity does not fall under the Sharia repugnant category. Furthermore, as per the information provided by the Company we note that currently the Company is involved predominantly in development of projects, where based on the value, about 95% are either purely residential or serviced apartments (dry) and the balance of about 5% are commercial in nature and not all commercial properties are expected to Sharia repugnant.

(ii) Financial Ratios[2]:

a. **Debt Ratio**:
In accordance with the latest financial statements the Company reports no conventional borrowing.

b. **Conventional Deposits:**
As per the information provided by the Company, out of the total deposits of the Company as at the date of financial statement, an amount equal to AED 4.83 Billion is deposited with Islamic banks under profit paying account on the basis of either Mudaraba or Wakala.

When the above is factored into the calculation the Conventional Deposits of the Company are within the permissible limits of 30% as prescribed under AAOIFI Sharia Standard.

c. **Tangibility Ratio:**
The tangible assets of the Company are within the permissible limits prescribed by the AAOIFI Sharia Standard where the requirement is to have at least 1/3rd of the assets as tangible.

For the purpose of calculation of the tangibility ratio the Sharia compliant Mudaraba and Wakala deposits of the Company with Islamic banks are considered as tangible.

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[2] For the purpose of financial ratios, Total Assets of the Company were used to assess the Debt Ratio, Conventional Deposits Ratio and Tangibility Ratio as the Market Capitalization of the Company is not available pending the issuance of Shares under the IPO

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d. Prohibited Income:

The prohibited income of the Company is within the permissible limit of 5% as prescribed under the AAOIFI Sharia Standard.

It is however important to note that:

(i) The above opinion and summary is based on the data provided by the Company;

(ii) The determination that the shares in the Company are Sharia Compliant is based on the review and status of the Company as at the date of this Sharia Guidance.

(iii) Any future assessment of the Company shall be based on the status of the Company from the perspective of its activities and the financial ratios at the relevant point of time.

And Allah knows best.

Hassan

Best Regards,

Dr. Hussain Hamid Hassan,
Managing Director, Dar Al Sharia
Chairman Sharia Board, Dubai Islamic Bank Group.

Dar Al Sharia Islamic Finance Consultancy L.L.C
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