Emaar Properties PJSC
and its Subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Emaar Properties PJSC and its Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
For the Period Ended 30 September 2021

KPMG Lower Gulf Limited
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Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Emaar Properties PJSC

Introduction

We have reviewed the accompanying 30 September 2021 interim condensed consolidated financial statements of Emaar Properties PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the interim condensed consolidated income statement for the three month and nine month periods ended 30 September 2021;
- the interim condensed consolidated statement of comprehensive income for the three month and nine month periods ended 30 September 2021;
- the interim condensed consolidated statement of financial position as at 30 September 2021;
- the interim condensed consolidated statement of changes in equity for the nine month period ended 30 September 2021;
- the interim condensed consolidated statement of cash flows for the nine month period ended 30 September 2021; and
- notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. 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 the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial statements 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 30 September 2021 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates

Date: 14 Nov 2021

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Period ended 30 September 2021 (Unaudited)

		(US $1.00 = AED 3.673)			
		Nine-month period ended		***Three-month period ended***	
	Notes	***30 September 2021 AED'000***	*30 September 2020 AED'000 (Restated)**	***30 September 2021 AED'000***	*30 September 2020 AED'000 (Restated)**
Revenue	*4*	**19,331,840**	12,351,183	**6,832,314**	4,131,331
Cost of revenue	*4*	**(11,324,146)**	(7,916,355)	**(4,241,614)**	(2,539,713)
GROSS PROFIT		**8,007,694**	4,434,828	**2,590,700**	1,591,618
Other operating income		**283,607**	220,615	**114,638**	71,127
Other operating expenses		**(102,189)**	(84,300)	**(44,493)**	(33,489)
Selling, general and administrative expenses	*5*	**(3,046,159)**	(2,260,988)	**(1,048,942)**	(718,161)
Depreciation of property, plant and equipment		**(455,080)**	(517,873)	**(137,386)**	(167,383)
Depreciation of investment properties		**(470,588)**	(414,199)	**(171,252)**	(152,154)
Finance income	*6*	**282,160**	383,775	**101,892**	117,633
Finance costs	*7*	**(754,766)**	(744,778)	**(257,633)**	(215,187)
Other income		**158,126**	2,219,861	**35,989**	109,108
Share of results of associates and joint ventures		**455,639**	(376,748)	**464,499**	(89,565)
Impairment / write down	*2.2*	**(114,158)**	(550,950)	**(114,158)**	-
PROFIT BEFORE TAX		**4,244,286**	2,309,243	**1,533,854**	513,547
Income tax (expense) / credit		**(214,967)**	243,913	**(96,953)**	80,743
NET PROFIT FOR THE PERIOD		**4,029,319**	2,553,156	**1,436,901**	594,290
ATTRIBUTABLE TO:					
Owners of the Parent		**2,577,988**	2,057,341	**1,017,862**	359,375
Non-controlling interests		**1,451,331**	495,815	**419,039**	234,915
		4,029,319	2,553,156	**1,436,901**	594,290
Earnings per share attributable to the owners of the Parent:					
- basic and diluted earnings per share (AED)		**0.36**	0.29	**0.14**	0.05

* Certain amounts shown here do not correspond to the interim condensed consolidated financial statements of prior period and reflect adjustments made as detailed in Note 2.4.

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Period ended 30 September 2021 (Unaudited)

		(US $1.00 = AED 3.673)			
		Nine-month period ended		***Three-month period ended***	
	Notes	***30 September 2021 AED'000***	*30 September 2020 AED'000 (Restated)**	***30 September 2021 AED'000***	*30 September 2020 AED'000 (Restated)**
Net profit for the period		**4,029,319**	2,553,156	**1,436,901**	594,290
Other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods:					
(Decrease) / increase in unrealised gains / (losses) reserve		**(5,557)**	(1,836)	**177**	(2)
(Decrease) / increase in foreign currency translation reserve		**(38,230)**	(76,523)	**(3,159)**	177,817
Net other comprehensive income / (loss) to be reclassified to income statement in subsequent periods		**(43,787)**	(78,359)	**(2,982)**	177,815
Other comprehensive income / (loss) not to be reclassified to income statement in subsequent periods:					
(Decrease) / increase in unrealised gains / (losses) reserve		**(154,300)**	(113,852)	**27,203**	41,116
Realised gain on fair value movement through other comprehensive income		**11,637**	-	**1,618**	-
Net other comprehensive income / (loss) not to be reclassified to income statement in subsequent periods		**(142,663)**	(113,852)	**28,821**	41,116
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**3,842,869**	2,360,945	**1,462,740**	813,221
ATTRIBUTABLE TO:					
Owners of the Parent		**2,404,332**	1,893,420	**1,046,554**	545,433
Non-controlling interests		**1,438,537**	467,525	**416,186**	267,788
		3,842,869	2,360,945	**1,462,740**	813,221

* Certain amounts shown here do not correspond to the interim condensed consolidated financial statements of prior period and reflect adjustments made as detailed in Note 2.4.

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2021 (Unaudited)

		(US$ 1.00 = AED 3.673)		
	Notes	***30 September 2021 AED'000***	*31 December 2020 AED'000 (Restated)**	*1 January 2020 AED'000 (Restated)**
ASSETS				
Bank balances and cash	8	**10,001,325**	6,270,731	6,795,737
Trade and unbilled receivables	9	**15,555,625**	11,246,564	10,316,058
Other assets, receivables, deposits and prepayments	10	**15,141,395**	16,029,719	15,498,526
Development properties	11	**39,746,595**	40,932,919	41,704,003
Assets classified as held for sale		**-**	-	669,290
Investments in securities	12	**2,927,963**	2,924,658	2,861,795
Loans to associates and joint ventures	13	**1,094,930**	1,096,631	980,719
Investments in associates and joint ventures	14	**5,214,772**	4,854,060	4,922,904
Property, plant and equipment		**10,456,190**	10,278,470	10,900,437
Investment properties		**22,670,508**	22,318,549	21,905,268
Intangible assets		**747,875**	755,472	766,671
Right-of-use assets		**1,097,852**	1,268,823	823,348
TOTAL ASSETS		**124,655,030**	117,976,596	118,144,756
LIABILITIES AND EQUITY				
LIABILITIES				
Trade and other payables	15	**18,675,459**	17,426,706	16,876,066
Advances from customers		**14,234,462**	11,689,423	12,202,962
Liabilities directly associated with assets classified as held for sale		**-**	-	159,669
Retentions payable		**1,518,584**	1,647,548	1,576,716
Deferred income tax payable		**1,046,788**	1,103,003	1,339,538
Interest-bearing loans and borrowings	16	**13,301,228**	14,034,948	15,785,537
Sukuk	17	**9,162,019**	7,325,855	7,316,364
Provision for employees' end-of-service benefits		**176,180**	167,211	176,929
TOTAL LIABILITIES		**58,114,720**	53,394,694	55,433,781
EQUITY				
Equity attributable to owners of the Company				
Share capital	18	**7,159,739**	7,159,739	7,159,739
Employees' performance share program		**(1,684)**	(1,684)	(1,684)
Reserves	19	**17,355,304**	17,540,597	17,553,915
Retained earnings		**32,620,723**	30,819,098	28,737,124
		57,134,082	55,517,750	53,449,094
Non-controlling interests		**9,406,228**	9,064,152	9,261,881
TOTAL EQUITY		**66,540,310**	64,581,902	62,710,975
TOTAL LIABILITIES AND EQUITY		**124,655,030**	117,976,596	118,144,756

To the best of our knowledge, the interim condensed consolidated financial statements fairly present, in all material respects, the interim condensed consolidated financial position, results of operation and interim condensed consolidated cash flows of the Group as of, and for, the period ended 30 September 2021.

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors and signed on their behalf by:

Director

Director

* Certain amounts shown here do not correspond to 2020 consolidated financial statements and reflect adjustments made as detailed in Note 2.4

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period ended 30 September 2021 (Unaudited)

(US $1.00 = AED 3.673)

	Attributable to the owners of the Company						
	Share capital AED'000	***Employees' performance share program AED'000***	***Reserves AED'000***	***Retained earnings AED'000***	***Total AED'000***	***Non-controlling interests AED'000***	***Total equity AED'000***
Balance as at 31 December 2020 *(Audited)*	**7,159,739**	**(1,684)**	**17,565,660**	**32,031,418**	**56,755,133**	**9,161,262**	**65,916,395**
Effect of changes due to restatements (note 2.4)	**-**	**-**	**(25,063)**	**(1,212,320)**	**(1,237,383)**	**(97,110)**	**(1,334,493)**
Balance at 1 January 2021 *(Restated)**	**7,159,739**	**(1,684)**	**17,540,597**	**30,819,098**	**55,517,750**	**9,064,152**	**64,581,902**
Total comprehensive income for the period							
Net profit for the period	**-**	**-**	**-**	**2,577,988**	**2,577,988**	**1,451,331**	**4,029,319**
Other comprehensive income for the period	**-**	**-**	**(185,293)**	**11,637**	**(173,656)**	**(12,794)**	**(186,450)**
Total comprehensive income for the period	**-**	**-**	**(185,293)**	**2,589,625**	**2,404,332**	**1,438,537**	**3,842,869**
Directors' remuneration (note 21)	**-**	**-**	**-**	**(9,329)**	**(9,329)**	**-**	**(9,329)**
Dividend paid to shareholders (note 20)	**-**	**-**	**-**	**(715,974)**	**(715,974)**	**-**	**(715,974)**
Dividend and directors' bonus of subsidiaries	**-**	**-**	**-**	**(6,864)**	**(6,864)**	**(1,096,461)**	**(1,103,325)**
Other movement	**-**	**-**	**-**	**(55,833)**	**(55,833)**	**-**	**(55,833)**
Balance as at 30 September 2021	**7,159,739**	**(1,684)**	**17,355,304**	**32,620,723**	**57,134,082**	**9,406,228**	**66,540,310**

* Certain amounts shown here do not correspond to the 2020 consolidated financial statements and reflect adjustments made as detailed in Note 2.4.

The accompanying notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

(US $1.00 = AED 3.673)

	Attributable to the owners of the Company						
	Share capital AED'000	*Employees' performance share program AED'000*	*Reserves AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance as at 31 December 2019 *(Audited)*	7,159,739	(1,684)	17,562,729	29,441,645	54,162,429	9,286,994	63,449,423
Effect of changes due to restatements (note 2.4)	-	-	(8,814)	(704,521)	(713,335)	(25,113)	(738,448)
Balance at 1 January 2020 *(Restated)**	7,159,739	(1,684)	17,553,915	28,737,124	53,449,094	9,261,881	62,710,975
Net profit for the period	-	-	-	2,057,341	2,057,341	495,815	2,553,156
Other comprehensive income for the period	-	-	(163,921)	-	(163,921)	(28,290)	(192,211)
Total comprehensive income for the period	-	-	(163,921)	2,057,341	1,893,420	467,525	2,360,945
Acquisition of additional stake in a subsidiary (note 19)	-	-	(209,352)	347,996	138,644	(138,644)	-
Directors' bonus	-	-	-	(7,350)	(7,350)	-	(7,350)
Dividend and directors' bonus of subsidiaries	-	-	-	(7,771)	(7,771)	(741,679)	(749,450)
Balance as at 30 September 2020	7,159,739	(1,684)	17,180,642	31,127,340	55,466,037	8,849,083	64,315,120

* Certain amounts shown here do not correspond to the 2020 consolidated financial statements and reflect adjustments made as detailed in Note 2.4.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
As at 30 September 2021 (Unaudited)

		(US $1.00 = AED 3.673) For the nine-month period ended	
	Notes	**30 September 2021 AED'000**	30 September 2020 AED'000 (Restated)*
Cash flows from operating activities			
Profit before tax		**4,244,286**	2,309,243
Adjustments for:			
Share of results of associates and joint ventures		**(455,639)**	376,748
Depreciation		**1,023,295**	1,062,445
Amortisation of intangible assets		**7,597**	8,538
Provision for end-of-service benefits, net		**8,969**	(16,165)
(Gain) / loss on disposal of investment properties		**(51,842)**	216
Gain on disposal of property, plant and equipment		**(94)**	(50,192)
Gain on disposal of assets classified as held for sale	14	**-**	(2,197,139)
Provision for receivables, impairment and write down		**1,211,503**	1,384,832
Finance costs	7	**754,766**	744,778
Finance income	6	**(282,160)**	(383,775)
Cash from operations before working capital changes		**6,460,681**	3,239,529
Trade and unbilled receivables		**(4,423,713)**	(901,677)
Other assets, receivables, deposits and prepayments		**567,363**	(177,940)
Development properties		**2,026,324**	(375,247)
Advances from customers		**2,545,039**	(300,582)
Trade and other payables		**(44,413)**	(916,627)
Retentions payable		**(128,964)**	81,807
Assets and liabilities held for sale, net		**-**	(32,022)
Income tax, net		**84,924**	(59,003)
Net cash flows from operating activities		**7,087,241**	558,238
Cash flows from investing activities			
Purchase of securities		**(3,419,940)**	(4,330,233)
Proceeds from disposal of securities		**3,274,944**	4,498,655
Finance income received		**280,625**	384,503
Dividend received from associates and joint ventures		**61,479**	64,922
Additional investments in and loans to associates and joint ventures		**(21,678)**	(140,326)
Amounts incurred on investment properties		**(889,005)**	(1,109,363)
Proceeds from disposal of investment properties		**59,188**	(216)
Amounts incurred on property, plant and equipment		**(881,517)**	(757,131)
Proceeds from disposal of property, plant and equipment		**3,186**	65,440
Proceeds from disposal of assets classified as held for sale		**-**	2,479,947
Deposits maturing after three months (including deposits under lien)	8	**(395,469)**	(295,373)
Advance against investments		**(215,089)**	(343,696)
Net cash flows (used in) / from investing activities		**(2,143,276)**	517,129
Cash flows from financing activities			
Dividends paid (including dividends of subsidiaries)		**(1,810,974)**	(740,000)
Proceeds from interest-bearing loans and borrowings	16	**3,073,474**	6,543,025
Repayment of interest-bearing loans and borrowings	16	**(4,975,432)**	(7,890,945)
Proceeds from issuance of Sukuk	17	**1,836,500**	-
Directors' bonus paid (including directors' bonus of subsidiaries)		**(17,654)**	(16,800)
Payment of lease liabilities		**(96,289)**	(134,916)
Finance costs paid		**(779,370)**	(737,874)
Net cash flows used in financing activities		**(2,769,745)**	(2,977,510)
Increase / (decrease) in cash and cash equivalents		**2,174,220**	(1,902,143)
Net foreign exchange difference		**(830)**	(853)
Cash and cash equivalents at the beginning of the period		**5,763,988**	5,158,444
Cash and cash equivalents at the end of the period	8	**7,937,378**	3,255,448

* Certain amounts shown here do not correspond to interim condensed consolidated financial statements of prior period and reflect adjustments made as detailed in Note 2.4.

1 DOMICILE AND ACTIVITIES

Emaar Properties Public Joint Stock Company (the "Company") was established as a public joint stock company by Ministerial Decree number 66 in the year 1997. The Company was established on 23 June 1997 and commenced operations on 29 July 1997. The Company and its subsidiaries constitute the Group (the "Group"). The Company's registered office is at P.O. Box 9440, Dubai, United Arab Emirates ("UAE"). The shares of the Company are traded on the Dubai Financial Market.

The principal activities of the Group are property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investments in providers of financial services.

The interim condensed consolidated financial statement was authorised for issue on 14 November 2021.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34: *Interim Financial Reporting* and applicable requirements of the United Arab Emirates laws.

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 2020. 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, except for the new standards and amendments adopted during the current period and restatement as explained below.

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 except for derivative financial instruments, financial assets at fair value through other comprehensive income ("FVOCI") and profit or loss that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Certain comparative amounts have been reclassified / restated to conform to the presentation used in these interim condensed consolidated financial statements.

Results for the nine-month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and entities (including special purpose entities) controlled by the Group. Control is achieved where all the following criteria are met:

(a) the Group 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 Group has exposure, or rights, to variable returns from its involvement with the entity; and
(c) the Group 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 interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries
Subsidiaries are 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 subsidiaries are prepared using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 losses 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 condensed consolidated income statement; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the interim condensed consolidated income statement or retained earnings, as appropriate.

During the current year, the respective Boards of Directors of the Company and Emaar Malls PJSC ("Emaar Malls") have recommended an all share merger to their respective shareholders. As part of the transaction, the existing business of Emaar Malls will be reconstituted in a wholly owned subsidiary of the Company and will continue to develop and hold a portfolio of premium shopping malls and retail assets. At the reporting date, this transaction was subject to completion of necessary legal and statutory formalities including approval from the shareholders of the Company and Emaar Malls in their respective general meetings. Subsequent to the reporting date, the shareholders of both companies approved the proposed merger and all the merger conditions have been met. The activation date of the merger and capital increase of Emaar Properties PJSC is expected to be after the end of trading session on 21 November 2021. Post completion of the transaction, Emaar Malls shares will be delisted from the Dubai Financial Market.

Associates and joint ventures
Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies. 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 whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group's investment in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates and joint ventures are carried in the interim condensed consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associated and joint venture companies, less any impairment in value.

The interim condensed consolidated income statement reflects the Group's share of results of its associates and joint ventures. Unrealised profits and losses resulting from transactions between the Group and associates and its joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Special purpose entities
Special purpose entities are entities that are created to accomplish a narrow and well-defined objective. The financial information of special purpose entities is included in the Group's interim condensed consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity and hence, they are accounted for as subsidiaries.

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 and estimates and assumptions that have a significant impact on the interim condensed consolidated financial statements of the Group are discussed below:

Judgments

Timing of satisfaction of performance obligations
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method 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. Also refer note 2.4

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 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, the Group uses the "most-likely amount" method in IFRS 15 *Revenue from Contracts with Customers* 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 the 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. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15.

Revenue recognition for turnover rent
The Group recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Classification of investment properties
The Group determines whether a property qualifies as investment property in accordance with IAS 40 *Investment Property*. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. The Group has determined that hotels and serviced apartment buildings owned by the Group are to be classified as part of property, plant and equipment rather than investment properties since the Group also operates these assets.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Operating lease commitments - Group as lessor
The Group has entered into commercial and retail property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Classification of investments
Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 *Financial Instruments*.

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

The Group has the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Consolidation of subsidiaries
The Group has evaluated all the investee entities including special purpose 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.

Impairment of trade, unbilled receivables 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 based on expected credit losses on such receivables.

Estimations and assumptions

Useful lives of property, plant and equipment, investment properties and intangible assets
The Group's management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets 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 / amortisation method to ensure that the method and period of depreciation / amortisation are consistent with the expected pattern of economic benefits from these assets.

Measurement of progress when revenue is recognised over time
The Group has elected to apply the input method to measure the progress of 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.

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.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Taxes
The Group is subject to income and capital gains taxes in certain jurisdictions. Significant judgment is required to determine the total provision for current and deferred taxes. The Group established provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the 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.

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.

Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

During the current period, on account of significant uncertainty over recoverability of the Group's investment in certain assets, management has recorded an impairment provision of AED 114 million on property, plant and equipment and right-of-use assets.

Impact of Covid-19
In January 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 Outbreak"). During March 2020, the WHO classified COVID-19 Outbreak as a pandemic based on the rapid increase in exposure and infections across the world. The pandemic nature of this virus resulted in global travel restrictions and lockdown in most countries of the world impacting jurisdictions and segments in which the Group operates.

The COVID-19 Outbreak has impacted the Group across its segments (real estate, retail and hospitality) which is reflected in its financial results. As a result, the Group has undertaken various measures by rationalizing its operations, optimizing staff level and operating costs, rent relief and working closely with its suppliers and customers to minimize impact on revenue and cost. As the lockdown started to ease and travel recommenced in the second half of 2020, the Group has witnessed increased real estate sales, improved occupancy in hotels and increased footfall in its shopping malls compared to the initial time of pandemic in early part of 2020. The Group's management continues to evaluate current situation including pricing strategy and cost optimization initiatives.

Management's current assessment of the impact of the COVID-19 outbreak is as follows:

a) Recoverable amount of investment properties
Recoverable amount of investment properties is inherently subjective due to the unique characteristics of each property, its location, expected yield, rental growth rate and discount rates reflecting continued uncertainty. Based on internal assessments carried out by the management, impairment loss of AED 404 million was recorded for the period ended 30 September 2020.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Impact of Covid-19 (continued)

b) Impairment assessment of property, plant and equipment within Hospitality segment
The Group's hospitality segment had been impacted due to temporary closure and from low occupancy levels, resulting from steps taken by governments to contain the COVID-19 outbreak. The key area of assessment includes estimates on the impact of future cash inflows due to reduced occupancy and the discount rates, reflecting continued uncertainty. Based on internal assessments carried out by the management, impairment loss of AED 147 million was recorded for the period ended 30 September 2020.

c) Net realisable value assessment of development properties
The Group's real estate businesses has continued to deliver on projects, with restrictions in some territories. Land held for sale and properties classified under development properties are stated at the lower of cost or net realizable value ("NRV"). NRV is assessed with reference to estimated sales prices, costs of completion and advances received, development plans and market conditions existing at the end of the reporting period. Based on internal assessments carried out by the management, write down of AED 663 million was recorded for the period ended 30 September 2020.

d) Income and receivables from the leasing and retail segment
During 2020 and subsequently, impact of the pandemic evolved and to contain the virus, the UAE government imposed strict measures that resulted in temporary lower footfall of the malls. As part of Group's commitment to extend support to its tenants during COVID-19 outbreak, the Group has offered voluntary arrangements of rent reliefs to its tenants in 2020 and in current period, which are accounted for in accordance with the requirements of IFRS 16 "*Leases*".

In addition, COVID-19 outbreak pandemic increased the uncertainty over collectability of trade receivables. The management considers that it is more appropriate to only recognise lease income and the corresponding receivables to the extent that the lease income is considered to be collectible. This approach reflects the uncertainty related to collectability of lease payments and addresses the concern of recognizing income when collectability is uncertain.

e) Funding and liquidity
In response to the pandemic situation, the Group continues to monitor and respond to all liquidity and funding requirements through its plan reflecting the current economic scenarios. The Group believes that, as at 30 September 2021, liquidity position of the Group remains strong and its existing balances of cash and cash equivalents, along with undrawn facilities will be sufficient to satisfy its working capital needs, capital expenditures and other liquidity requirements as they fall due in the foreseeable future.

f) External property valuation reports
As at 31 December 2020 valuations contained a material valuation uncertainty clause by the external valuers due to the market disruption caused by the COVID-19 pandemic, which resulted in a reduction in transactional evidence and market yields. This clause does not invalidate the valuation but implies that there is substantially more uncertainty than under normal market conditions. The valuation of properties located in various geographies takes into account the level of pandemic, related economic impact, expected recovery including occupancy and earning levels of properties. As a result of the continued uncertainty, these assumptions may be revised significantly in the subsequent periods.

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 2020, except for the adoption of new standards and interpretations effective as of 1 January 2021 and note as mentioned below. Although these new standards and amendments apply for the first time in 2021, they do not have a material impact on the annual consolidated financial statements or the interim condensed consolidated financial statements of the Group.

- Interest Rate Benchmark Reform Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Standards, amendments and interpretations in issue but not effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

- **Amendments to IAS 37** - What is included in cost of fulfilling a contract for onerous contracts (Effective 1 January 2022)
- **Annual Improvements to IFRS Standards 2018 – 2020** – Amendments to IFRS 1, IFRS 9, illustrative examples accompanying IFRS 16 and IAS 41 (effective 1 January 2022)
- **Property, Plant and Equipment, amendments to IAS 16** – Amendments clarity treatment of proceeds before intended use (effective 1 January 2022)
- **Reference to the Conceptual Framework** – Amendments to IFRS 3 (effective 1 January 2022)
- **Definition of Accounting estimates, amendments to IAS 8** - The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. (effective 1 January 2023)
- **IFRS 10 and IAS 28** - Sale or Contribution of Assets between an investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, but an entity that early adopts the amendments must apply them prospectively)

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

Revenue from contracts with customers
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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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 condensed consolidated income statement 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.

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.

Rental income from lease of investment property
Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Revenue recognition for turnover rent
Income from turnover rent is recognised based on the audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Customer loyalty programme
The Group operates a loyalty points programme, 'U by Emaar', which allows customers to accumulate points when they spend in any of the Group's hotel or leisure units. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

Changes in timing of revenue recognition and reclassification

During the year, based on a review of past legal precedents supported by legal opinions from external legal counsel undertaken by Emaar Misr for Development SAE, a subsidiary of the Company in Egypt (Group's international real-estate segment), management has re-evaluated its judgement to meet the IFRS 15 criteria for recognising revenue for property sale in Egypt over time. As a result, management determined that control over units sold in Egypt are being transferred to customers at a point in time i.e. when units are completed and accordingly revenue should be recognised at that point in time.

Based on the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, management has considered the effect of this change in accounting policy retrospectively and restated the comparative balances. The interim condensed consolidated financial statements have been restated as summarised below:

Further, certain comparative amounts have also been reclassified to conform to the presentation used in these interim condensed consolidated financial statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in timing of revenue recognition and reclassification (continued)

At 31 December 2020
Consolidated Statement of Financial Position

	As previously reported earlier AED'000	*Adjustments made AED'000*	*As restated now AED'000*
Assets			
Trade and unbilled receivables	12,165,577	(919,013)	11,246,564
Other assets, receivables, deposits and prepayments	15,969,870	59,849	16,029,719
Development properties	38,532,763	2,400,156	40,932,919
Total assets	116,435,604	1,540,992	117,976,596
Liabilities			
Trade and other payables	17,607,042	(180,336)	17,426,706
Advances from customers	8,592,009	3,097,414	11,689,423
Deferred income tax payable	1,144,596	(41,593)	1,103,003
Total liabilities	50,519,209	2,875,485	53,394,694
Equity			
Reserves	17,565,660	(25,063)	17,540,597
Retained earnings	32,031,418	(1,212,320)	30,819,098
Non-controlling interests	9,161,262	(97,110)	9,064,152
Total equity	65,916,395	(1,334,493)	64,581,902

At 1 January 2020
Consolidated Statement of Financial Position

	As previously reported earlier AED'000	*Adjustments made AED'000*	*As restated now AED'000*
Assets			
Trade and unbilled receivables	10,465,030	(148,972)	10,316,058
Other assets, receivables, deposits and prepayments	15,459,265	39,261	15,498,526
Development properties	40,319,940	1,384,063	41,704,003
Total assets	116,870,404	1,274,352	118,144,756
Liabilities			
Trade and other payables	16,919,196	(43,130)	16,876,066
Advances from customers	10,147,032	2,055,930	12,202,962
Total liabilities	53,420,981	2,012,800	55,433,781
Equity			
Reserves	17,562,729	(8,814)	17,553,915
Retained earnings	29,441,645	(704,521)	28,737,124
Non-controlling interests	9,286,994	(25,113)	9,261,881
Total equity	63,449,423	(738,448)	62,710,975

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in timing of revenue recognition and reclassification (continued)

Consolidated income statement and consolidated statement of comprehensive income

	As previously reported earlier AED'000	*Adjustments made AED'000*	*As restated now AED'000*
For the nine-month period ended 30 September 2020:			
Revenue	13,374,121	(1,022,938)	12,351,183
Cost of revenue	(8,621,122)	704,767	(7,916,355)
Selling, general and administrative expenses	(2,111,132)	(149,856)	(2,260,988)
Other income	2,225,460	(5,599)	2,219,861
Income tax credit	197,235	46,678	243,913
Net profit for the period	2,980,104	(426,948)	2,553,156
Increase in foreign currency translation reserve	(79,656)	3,133	(76,523)
Earnings per share attributable to the owners of the Company:			
- basic and diluted earnings per share (AED)	0.34	(0.05)	0.29

	As previously reported earlier AED'000	*Adjustments made AED'000*	*As restated now AED'000*
For the three-month period ended 30 September 2020:			
Revenue	4,341,876	(210,545)	4,131,331
Cost of revenue	(2,687,422)	147,709	(2,539,713)
Selling, general and administrative expenses	(677,826)	(40,335)	(718,161)
Other income	110,746	(1,638)	109,108
Income tax credit	55,445	25,298	80,743
Net profit for the period	673,801	(79,511)	594,290
Increase in foreign currency translation reserve	186,634	(8,817)	177,817
Earnings per share attributable to the owners of the Company:			
- basic and diluted earnings per share (AED)	0.06	(0.01)	0.05

There is no material impact on the Group's total operating, investing or financing cash flows for the period ended 30 September 2020.

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 gross carrying amount of the financial asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Leasehold improvements	2 - 15 years
Sales centers (included in land and buildings)	1 - 5 years
Buildings	10 - 45 years
Computers and office equipment	2 - 5 years
Plant, machinery and heavy equipment	3 - 20 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 - 10 years
Leisure, entertainment and other assets	2 - 25 years

No depreciation is charged on land and capital work-in-progress. The useful lives, depreciation method and residual values 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 interim condensed consolidated income statement as the expense is incurred.

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 interim condensed consolidated income statement. 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 other than goodwill impairment 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.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

Buildings	10 - 45 years
Furniture, fixtures and others	4 - 10 years
Plant and equipment	3 - 10 years

No depreciation is charged on land and capital work-in-progress.

The useful lives, depreciation method and residual value 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.

Properties are transferred from investment properties to development properties when and only when, there is a change in use, evidenced by commencement of development with a view to sell. Such transfers are made at the carrying value of the properties at the date of transfer.

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the interim condensed consolidated income statement. The recoverable amount is the higher of investment property's fair value less cost to sell and the value in use.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the investment property no longer exist or have reduced.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the interim condensed consolidated income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is charged on a straight-line basis over the estimated useful lives as follows:

Customers relationship	5 years
Software	3 years

Goodwill and Brand is not amortised.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the interim condensed consolidated income statement when the asset is derecognised.

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 condensed consolidated income statement 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.

Inventories

Inventories represent consumables and other goods relating to hospitality and retail business segments of the Group. Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

Costs are those expenses incurred in bringing each product to its present location and condition on a weighted average cost basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal or completion.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the interim condensed consolidated income statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the interim condensed consolidated income statement depends on the nature of the hedge relationship. The Group designates derivatives as hedges of interest rate risk and foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting
The Group designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of interest rate risk and foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)
A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item. However, that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness (irrespective of whether recognised or not) that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for and further described in the below sections.

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the interim condensed consolidated income statement as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the interim condensed consolidated income statement as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate (EIR) method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in consolidated income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in consolidated income statement.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in consolidated statement of comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the interim condensed consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in consolidated statement of comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in consolidated statement of comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Cash flow hedges (continued)
For any other cash flow hedges, the amount accumulated in consolidated statement of comprehensive income is reclassified to consolidated income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in consolidated statement of comprehensive income must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to consolidated income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedge of net investments in foreign operations
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the consolidated income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the interim condensed consolidated income statement.

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 other comprehensive income or profit or loss, which are initially measured at fair value. Trade receivables are initially recognised when they are originated. Trade and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. 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
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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'.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Equity investments
All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Group has made on adoption of IFRS 9 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 condensed consolidated income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through P&L and OCI are not subject to impairment assessment.

The Group elected irrevocably to classify its non-listed equity investments as financial assets measured at fair value through other comprehensive income.

Debt instruments
Debt instruments are also measured at fair value through other comprehensive income (OCI) 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 facilities payable on demand.

Trade and unbilled receivables
Trade receivables are stated at original invoice amount (unless there is a significant financing component)less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the interim condensed consolidated income statement.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements as unbilled receivables.

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 condensed consolidated income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the interim condensed 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 condensed consolidated income statement.

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 retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:
    - has transferred substantially all the risks and rewards of the asset, or
    - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Derecognition of financial assets (continued)
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 recognises an allowance for expected credit losses ("ECL") for all debt instruments and contract assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For trade and unbilled receivables and other receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated income statement.

The Group consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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 are recognised in the interim condensed consolidated income statement 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 condensed consolidated income statement.

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 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.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The average rate applied is 4% to 8%.

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 condensed consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Group (continued)

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

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 interim condensed consolidated income statement.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the interim condensed 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.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at fair value on the date of acquisition. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the interim condensed consolidated income statement. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9: *Financial Instruments* in the interim condensed consolidated statement of comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible and intangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the interim condensed consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the interim condensed consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

Fair value measurement

The Group measures financial instruments, such as investment in securities and hedges, at fair value at each reporting date.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For investments traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

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

3 SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial statements.

Business segments

For management purposes, the Group is organised into three major segments, namely, real estate (develop and sell condominiums, villas, commercial units and plots of land), leasing and related activities (develop, lease and manage malls, retail, commercial and residential spaces) and hospitality (develop, own and/or manage hotels, serviced apartments and leisure activities). Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments*. These businesses are property management and utility services and investments in providers of financial services.

Revenue from sources other than property sales, leasing and related activities and hospitality are included in other operating income.

Geographic segments

The Group is currently operating in number of countries outside the UAE and is engaged in development of several projects which have significant impact on the Group results. The domestic segment includes business activities and operations in the UAE and the international segment includes business activities and operations outside the UAE (including export sales).

Business segments
The following tables include revenue, profit and certain assets and liabilities information regarding business segments for the nine-month periods ended 30 September 2021 and 30 September 2020. Assets and liabilities of the business segments are presented as at 30 September 2021 and 31 December 2020.

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
Nine-month period ended 30 September 2021:					
Revenue					
Revenue from external customers					
- Over a period of time	**10,590,710**	**-**	**323,662**	**-**	**10,914,372**
- Single point in time & leasing revenue	**4,139,465**	**3,724,862**	**553,141**	**-**	**8,417,468**
	14,730,175	**3,724,862**	**876,803**	**-**	**19,331,840**
Results					
Profit before tax and before impairment / write down, (a) & (b)	**4,361,381**	**1,369,514**	**136,233**	**694,699**	**6,561,827**
Impairment / write down	**(763,920)**	**(114,158)**	**-**	**-**	**(878,078)**
(a) Unallocated selling, general and administrative expenses					**(1,223,424)**
(b) Unallocated finance cost, net					**(216,039)**
Profit before tax for the period					**4,244,286**
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	**491,940**	**1,053,971**	**117,651**	**106,960**	**1,770,522**
Depreciation (Property, plant and equipment, right-of-use assets and investment properties)	**206,610**	**602,755**	**174,353**	**39,577**	**1,023,295**
Three-month period ended 30 September 2021:					
Revenue					
Revenue from external customers					
- Over a period of time	**3,624,974**	**-**	**110,873**	**-**	**3,735,847**
- Single point in time & leasing revenue	**1,527,486**	**1,359,907**	**209,074**	**-**	**3,096,467**
	5,152,460	**1,359,907**	**319,947**	**-**	**6,832,314**

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000	***Leasing, retail and related activities AED'000***	***Hospitality AED'000***	***Others AED'000***	***Total AED'000***
Results					
Profit before tax and before impairment / write down,(a) & (b)	**1,543,868**	**558,662**	**82,620**	**488,250**	**2,673,400**
Impairment / write down	**(463,920)**	**(114,158)**	**-**	**-**	**(578,078)**
(a) Unallocated selling, general and administrative expenses					**(476,595)**
(b) Unallocated finance cost, net					**(84,873)**
Profit before tax for the period					**1,533,854**
Assets and liabilities					
As at 30 September 2021					
Segment assets	**86,901,982**	**28,003,890**	**6,489,302**	**3,259,856**	**124,655,030**
Segment liabilities	**49,308,810**	**6,457,896**	**2,014,379**	**333,635**	**58,114,720**

Nine-month period ended 30 September 2020:

	Real estate AED'000 (Restated)*	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000 (Restated)*
Revenue					
Revenue from external customers					
- Over a period of time	7,189,172	-	190,030	-	7,379,202
- Single point in time & leasing revenue	1,745,245	2,887,294	339,442	-	4,971,981
	8,934,417	2,887,294	529,472	-	12,351,183
Results					
Profit before tax and before impairment / write down,(a) & (b)	1,038,305	1,118,331	12,522	2,135,993	4,305,151
Impairment / write down	(662,839)	(404,030)	(146,920)	-	(1,213,789)
(a) Unallocated selling, general and administrative expenses					(668,678)
(b) Unallocated finance cost, net					(113,441)
Profit before tax for the period					2,309,243

** Refer note 2.4*

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000*	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000 (Restated)*
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	192,206	1,298,467	206,331	169,490	1,866,494
Depreciation (Property, plant and equipment, investment properties and right of use assets)	328,868	425,300	246,705	61,572	1,062,445
Revenue					
Revenue from external customers					
- Over a period of time	2,251,134	-	34,126	-	2,285,260
- Single point in time & leasing revenue	811,344	917,012	117,715	-	1,846,071
	3,062,478	917,012	151,841	-	4,131,331
Results					
Profit before tax and before (a) & (b)	626,108	234,664	(81,917)	(17,895)	760,960
(a) Unallocated selling, general and administrative expenses					(221,513)
(b) Unallocated finance cost, net					(25,900)
Profit before tax for the period					513,547
Assets and liabilities					
As at 31 December 2020 (Audited)					
Segment assets	81,595,788	26,210,679	7,495,019	2,675,110	117,976,596
Segment liabilities	45,192,255	5,875,342	2,033,008	294,089	53,394,694

** Refer note 2.4*

3 SEGMENT INFORMATION (continued)

Business segments (continued)

Three-month period ended 30 September 2020: (Restated)

	Real estate AED'000*	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000 (Restated)*
Revenue					
Revenue from external customers					
- Over a period of time	2,251,134	-	34,126	-	2,285,260
- Single point in time & leasing revenue	811,343	917,013	117,715	-	1,846,071
	3,062,477	917,013	151,841	-	4,131,331
Results					
Profit before tax and before (a) & (b)	626,108	234,664	(81,917)	(17,895)	760,960
(a) Unallocated selling, general and administrative expenses					(221,513)
(b) Unallocated finance cost, net					(25,900)
Profit before tax for the period					513,547
Assets and liabilities					
As at 31 December 2020 (Audited)					
Segment assets	81,595,788	26,210,679	7,495,019	2,675,110	117,976,596
Segment liabilities	45,192,255	5,875,342	2,033,008	294,089	53,394,694

Geographic segments

The following tables include revenue and other segment information for the nine-month periods ended 30 September 2021 and 30 September 2020. Certain assets information for geographic segments is presented as at 30 September 2021 and 31 December 2020.

	Domestic AED'000	***International AED'000***	***Total AED'000***
Nine-month period ended 30 September 2021:			
Revenue			
Revenue from external customers			
- Over period of time	**10,786,159**	**128,213**	**10,914,372**
- Single point in time & leasing revenue	**4,595,547**	**3,821,921**	**8,417,468**
	15,381,706	**3,950,134**	**19,331,840**

**Refer note 2.4*

3 SEGMENT INFORMATION (continued)

Geographic segments (continued)

	Domestic AED'000	***International AED'000***	***Total AED'000***
Other Segment Information			
Capital expenditure			
(Property, plant and equipment and investment properties)	**1,212,362**	**558,160**	**1,770,522**
Three-month period ended 30 September 2021:			
Revenue			
Revenue from external customers			
- Over period of time	**3,705,922**	**29,925**	**3,735,847**
- Single point in time / leasing revenue	**1,537,018**	**1,559,449**	**3,096,467**
	5,242,940	**1,589,374**	**6,832,314**
As at 30 September 2021			
Assets			
Right-of-use assets	**735,229**	**362,623**	**1,097,852**
Investments in associates and joint ventures	**3,267,325**	**1,947,447**	**5,214,772**
Other segment assets	**84,619,004**	**33,723,402**	**118,342,406**
Total assets	**88,621,558**	**36,033,472**	**124,655,030**
Total liabilities	**39,395,798**	**18,718,922**	**58,114,720**

Nine-month period ended 30 September 2020:

	Domestic AED'000	*International* AED'000 (Restated)*	*Total AED'000 (Restated)*
Revenue			
Revenue from external customers			
- Over a period of time	7,258,736	120,466	7,379,202
- Single point in time/ leasing revenue	2,634,229	2,337,752	4,971,981
	9,892,965	2,458,218	12,351,183
Other Segment Information			
Capital expenditure			
(Property, plant and equipment and investment properties)	1,493,736	372,758	1,866,494
Three-month period ended 30 September 2020 (Restated):			
Revenue			
Revenue from external customers			
- Over a period of time	2,235,160	50,100	2,285,260
- Single point in time & leasing revenue	950,038	896,033	1,846,071
	3,185,198	946,133	4,131,331

3 SEGMENT INFORMATION (continued)

Geographic segments (continued)

	Domestic AED'000	*International* AED'000 (Restated)*	*Total AED'000 (Restated)*
Assets as at 31 December 2020 (Audited)			
Right-of-use assets	890,176	378,647	1,268,823
Investments in associates and joint ventures	2,598,982	2,255,078	4,854,060
Other segment assets	79,398,276	32,455,437	111,853,713
Total assets	82,887,434	35,089,162	117,976,596
Total liabilities	35,167,504	18,227,190	53,394,694

* *Refer note 2.4*

4 REVENUE AND COST OF REVENUE

	Nine-month period ended		***Three-month period ended***	
	30 September 2021 AED'000	*30 September 2020 AED'000 (Restated)*	***30 September 2021 AED'000***	*30 September 2020 AED'000 (Restated)*
Revenue:				
Revenue from property sales				
Sale of condominiums	**8,921,964**	5,980,479	**3,279,528**	1,811,750
Sale of villas	**3,620,709**	1,915,596	**1,217,196**	767,006
Sale of commercial units, plots of land and others	**2,187,502**	1,038,342	**655,736**	483,721
Revenue from hospitality	**876,803**	529,472	**319,947**	151,841
Revenue from leased properties, retail and related income	**3,724,862**	2,887,294	**1,359,907**	917,013
	19,331,840	12,351,183	**6,832,314**	4,131,331
Cost of revenue:				
Cost of revenue from property sales				
Cost of condominiums	**6,280,900**	4,198,170	**2,274,623**	1,354,443
Cost of villas	**2,156,291**	1,120,287	**706,817**	449,365
Cost of commercial units, plots of land and others	**761,709**	613,153	**211,362**	303,185
Write down of development properties (note 11)	**463,920**	662,839	**463,920**	-
Operating cost of hospitality	**494,232**	351,300	**183,012**	125,415
Operating cost of leased properties, retail and related activities	**1,167,094**	970,606	**401,880**	307,305
	11,324,146	7,916,355	**4,241,614**	2,539,713

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Nine-month period ended		*Three-month period ended*	
	30 September 2021 AED'000	*30 September 2020 AED'000 (Restated)*	***30 September 2021 AED'000***	*30 September 2020 AED'000 (Restated)*
Sales and marketing expenses	**1,149,673**	751,622	**382,381**	239,919
Payroll and related expenses	**555,478**	591,866	**181,594**	195,579
Depreciation of right-of-use assets	**97,627**	130,373	**32,144**	25,734
Property management expenses	**165,840**	206,783	**63,157**	69,778
Provision for recoverable against NCI (note 10)	**300,000**	-	**-**	-
Provision for doubtful receivables and advance	**333,425**	171,043	**233,021**	47,101
Other expenses	**444,116**	409,301	**156,645**	140,050
	3,046,159	2,260,988	**1,048,942**	718,161

6 FINANCE INCOME

	Nine-month period ended		*Three-month period ended*	
	30 September 2021 AED'000	*30 September 2020 AED'000*	***30 September 2021 AED'000***	*30 September 2020 AED'000*
Finance income from bank deposits and securities	**216,268**	338,670	**76,077**	101,004
Other finance income	**65,892**	45,105	**25,815**	16,629
	282,160	383,775	**101,892**	117,633

7 FINANCE COSTS

	Nine-month period ended		*Three-month period ended*	
	30 September 2021 AED'000	*30 September 2020 AED'000*	***30 September 2021 AED'000***	*30 September 2020 AED'000*
Finance costs on borrowings	**539,467**	650,049	**190,680**	189,143
Other finance costs	**215,299**	94,729	**66,953**	26,044
	754,766	744,778	**257,633**	215,187

8 BANK BALANCES AND CASH

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
Cash in hand	**7,009**	18,047
Current and call bank deposit accounts	**6,548,908**	4,868,784
Fixed deposits maturing within three months	**2,594,001**	927,962
Total	**9,149,918**	5,814,793
Deposits under lien (note 22)	**143,969**	153,321
Fixed deposits maturing after three months and restricted cash	**707,438**	302,617
	10,001,325	6,270,731
Bank balances and cash located:		
Within UAE	**8,301,035**	5,009,754
Outside UAE	**1,700,290**	1,260,977
	10,001,325	6,270,731
Bank balances and cash are denominated in the following currencies:		
United Arab Emirates Dirham (AED)	**8,349,339**	5,009,754
United States Dollar (USD)	**813,888**	751,344
Saudi Riyal (SAR)	**187,036**	127,830
Indian Rupee (INR)	**179,587**	178,369
Egyptian Pound (EGP)	**357,572**	77,519
Other currencies	**113,903**	125,915
	10,001,325	6,270,731

As at 30 September 2021, cash and cash equivalent is AED 7,937,378 thousands (31 December 2020: AED 5,763,988 thousands) which is net of facilities obtained from various commercial banks and which are repayable on demand. Also refer note 16.

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 cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Bank balances maintained in the UAE includes an amount of AED 10,592 thousands (31 December 2020: AED 11,048 thousands) committed for investments in a project in Syria.

As at the reporting date, bank balances and cash include an amount of AED 5,289,410 thousands (31 December 2020: AED 3,658,173 thousands) with banks for advances received from customers against sale of development properties which are deposited into escrow accounts and unclaimed dividends. These deposits/balances are not under lien.

9 TRADE AND UNBILLED RECEIVABLES

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited) (Restated)*
Trade receivables		
Amounts receivables within 12 months, net	**1,484,185**	2,005,651
Unbilled receivables		
Unbilled receivables within 12 months	**6,431,122**	4,066,834
Unbilled receivables after 12 months, net	**7,640,318**	5,174,079
	14,071,440	9,240,913
Total trade and unbilled receivables	**15,555,625**	11,246,564

The above trade receivables are net of AED 296,768 thousands (31 December 2020: AED 303,591 thousands) relating to provision for doubtful debts. All other receivables are considered recoverable in full.

10 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited) (Restated)*
Recoverable under development agreements	**4,528,315**	4,182,199
Advance against investments (i)	**4,126,940**	3,911,851
Advances to contractors and others	**1,588,771**	3,077,322
Deferred sales commission (ii)	**1,131,891**	897,427
Value added tax recoverable	**528,499**	635,642
Recoverable from non-controlling interests (net of provision (note 5))	**338,964**	648,543
Inventory - Hospitality and Retail	**478,815**	349,358
Receivables from Communities Owner Associations	**428,555**	446,775
Deferred income tax assets	**258,385**	313,345
Prepayments	**197,266**	170,777
Deposits for acquisition of land	**13,981**	34,811
Accrued interest	**17,556**	16,021
Other receivables and deposits	**1,503,457**	1,345,648
	15,141,395	16,029,719
Other assets, receivables, deposits and prepayments maturity profile:		
Within 12 months	**6,212,401**	6,477,107
After 12 months	**8,928,994**	9,552,612
	15,141,395	16,029,719

(i) Advance against investments represent funds contributed by the Group for the purposes of obtaining equity interest in certain ventures. These contributions were not formalized or converted into share capital as at the reporting date.

(ii) 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.

11 DEVELOPMENT PROPERTIES

	30 September 2021 AED'000
Balance at the beginning of the period *(Audited and Restated)*	**40,932,919**
Add: Cost incurred during the period	**8,646,441**
Less: Cost transferred to cost of revenue during the period	**(9,198,900)**
Less: Foreign currency translation differences	**(169,945)**
Less: Write down (note 4)	**(463,920)**
Balance at the end of the period	**39,746,595**

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited) (Restated)*
Development properties located:		
Within UAE	**19,792,767**	21,961,720
Outside UAE	**19,953,828**	18,971,199
	39,746,595	40,932,919

12 INVESTMENTS IN SECURITIES

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
Financial assets at fair value through other comprehensive income	**1,164,037**	672,092
Financial assets at fair value through profit and loss	**164,637**	174,754
Financial assets at amortized cost	**1,599,289**	2,077,812
	2,927,963	2,924,658
Investments in securities:		
Within UAE	**1,047,052**	546,416
Outside UAE	**1,880,911**	2,378,242
	2,927,963	2,924,658

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets at fair value by valuation technique:

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
30 September 2021	**1,328,674**	**81,270**	**1,218,181**	**29,223**
31 December 2020 *(Audited)*	846,846	71,190	746,433	29,223

Valuations for Level 2 investments in securities have been derived by determining their redemption value which is generally net asset value per share of the investee companies. There were no transfers made between Level 1 and Level 2 during the period.

13 LOANS TO ASSOCIATES AND JOINT VENTURES

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
Emaar Dubai South DWC LLC	**857,391**	861,359
Amlak Finance PJSC (i)	**82,334**	87,118
Old Town Views LLC	**-**	114,072
Other associates and joint ventures	**155,205**	34,082
	1,094,930	1,096,631

Loans to associates and joint ventures of AED 1,012,596 thousands (31 December 2020: AED 1,009,513 thousands) are unsecured, repayable on demand / as per the terms of the agreement and do not carry any interest.

(i) As per the terms of the restructuring agreement entered in 2014, 20% of the principal amount of the loan was repaid by Amlak in 2014, 65% is restructured into a long term facility maturing in 12 years carrying a profit rate of 2% per annum and 15% is restructured into a 12-year contingent convertible instrument.

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 September 2021 AED'000	*31 December 2020 AED'000 (Audited)*
Carrying value of investments in associates and joint ventures:		
Emaar, The Economic City (Saudi Joint Stock Company) - quoted*	**1,642,988**	1,920,265
Emaar Bawadi LLC	**511,983**	506,969
Downtown DCP LLC (Note (i))*	**507,716**	498,113
DWTC Emaar LLC	**460,199**	437,273
Turner International Middle East Ltd	**300,399**	296,638
Zabeel Square LLC	**255,665**	255,663
Eko Temali Parklar Turizm Işletmeleri Anonim Şirketi	**209,395**	230,335
Emaar Industries and Investment (Pvt) JSC*	**143,965**	147,154
Amlak Finance PJSC - quoted *	**584,010**	117,421
Dead Sea Company for Tourist and Real Estate Investment*	**59,217**	68,615
Other associates and joint ventures	**539,235**	375,614
	5,214,772	4,854,060

* Represents Group's investment in associates

The Group has the following effective ownership interest in its significant associates and joint ventures:

		Ownership	
	Country	***30 September 2021***	*31 December 2020*
Emaar, The Economic City (Saudi Joint Stock Company)	KSA	**22.95%**	30.59%
Amlak Finance PJSC	UAE	**48.08%**	48.08%
Emaar Bawadi LLC	UAE	**50.00%**	50.00%
Turner International Middle East Ltd	UAE	**65.00%**	65.00%
Eko Temali Parklar Turizm Işletmeleri Anonim Şirketi	Turkey	**50.00%**	50.00%
Emaar Industries and Investments (Pvt) JSC	UAE	**40.00%**	40.00%
Dead Sea Company for Tourist and Real Estate Investment	Jordan	**29.33%**	29.33%
Emaar Dubai South DWC LLC	UAE	**50.00%**	50.00%
DWTC Emaar LLC	UAE	**50.00%**	50.00%
Zabeel Square LLC	UAE	**50.00%**	50.00%
Downtown DCP LLC (Note (i))	UAE	**20.00%**	20.00%
Old Town Views LLC	UAE	**61.25%**	61.25%

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

(i) On 26 March 2020, the Group had entered into a Sale and Purchase Agreement ("SPA") with National Central Cooling Company PJSC (NCCC) to transfer its 80% ownership interest in Downtown DCP LLC. Based on the agreement, NCCC had agreed to purchase the entity for a consideration of AED 2,480 million, subject to adjustments relating to working capital. Balance 20% of retained interest was recorded as investment in associates at AED 496 million at its fair value (including intangible assets on acquisition). Sale of the entity was subject to satisfactory completion of condition precedents as defined in the SPA. On 5 April 2020, all the condition precedents were satisfactorily completed and accordingly, the Group had recognised a gain of AED 2,197 million, as other income in the interim condensed consolidated income statement of 30 September 2020.

15 TRADE AND OTHER PAYABLES

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited) (Restated)*
Project contract cost accruals and provisions	**6,335,994**	5,833,395
Creditors for land purchase	**4,047,666**	3,609,269
Trade payables	**1,734,684**	1,696,219
Lease liabilities	**1,191,412**	1,239,009
Payable to non-controlling interests	**193,973**	199,673
Dividends payable	**313,490**	288,804
Income tax payable	**191,435**	106,511
Other payables and accruals	**4,666,805**	4,453,826
	18,675,459	17,426,706

16 INTEREST-BEARING LOANS AND BORROWINGS

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited)*
Balance at the beginning of the period / year	**13,993,753**	14,373,729
Add: Borrowings drawndown during the period / year	**3,073,474**	7,466,349
Less: Borrowings repaid during the period / year	**(4,975,432)**	(7,846,325)
Balance at the end of the period / year	**12,091,795**	13,993,753
Add: Facilities payable on demand (Note 8)	**1,212,540**	50,805
Less: Unamortised portion of directly attributable costs	**(3,107)**	(9,610)
Net interest-bearing loans and borrowings at the end of the period / year	**13,301,228**	14,034,948
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**4,450,268**	3,490,265
After 12 months	**8,850,960**	10,544,683
Balance at the end of the period / year	**13,301,228**	14,034,948
Interest-bearing loans and borrowings located:		
Within UAE	**8,103,262**	7,852,109
Outside UAE	**5,197,966**	6,182,839
	13,301,228	14,034,948

16 INTEREST-BEARING LOANS AND BORROWINGS (continued)

The Group has the following secured and unsecured interest-bearing loans and borrowings:

Secured

- USD 500,000 thousands (AED 1,836,500 thousands) of Syndicated facility, secured against certain investment properties owned by the Group in Turkey, carries interest at LIBOR plus 1.50% per annum and fully repayable by 2022.

- USD 8,449 thousands (AED 31,033 thousands) loan from commercial bank, secured against certain assets in Lebanon, carries interest at 7.5% per annum and is repayable by 2022.

- AED 838,124 thousands represent loan from a commercial bank, secured against certain assets in the United Arab Emirates, carries interest at EIBOR plus 1.50% per annum and is repayable by 2024.

- INR 11,222,427 thousands (AED 555,151 thousands) loans from commercial banks and financial institutions, secured against certain assets in India, bearing interest at rates ranging from 9.07% to 9.45% per annum and repayable by 2025.

Unsecured

- The Group had drawdown USD 420,000 thousands (AED 1,542,660 thousands) out of USD 1,500,000 thousands (AED 5,509,500 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2024.

- The Group had drawdown USD 2,000 thousands (AED 7,346 thousands) out of USD 2,000,000 thousands (AED 7,346,000 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2021. The facility is presented in the consolidated financial statements at AED 6,405 thousands net of unamortised directly attributable transaction cost.

- The Group had drawdown USD 875,000 thousands (AED 3,213,875 thousands) out of USD 1,000,000 thousands (AED 3,673,000 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2023. The facility is presented in the consolidated financial statements at AED 3,211,709 thousands net of unamortised directly attributable transaction cost.

- AED 1,212,540 thousands represent facilities obtained from a commercial bank in the United Arab Emirates bearing interest of 1 month EIBOR plus 1% per annum and is repayable on demand.

- AED 1,291,826 thousands represent short term facilities obtained from commercial banks in the United Arab Emirates bearing interest of EIBOR plus 1% per annum and is due in 2022.

- PKR 1,202,651 thousands (AED 25,857 thousands) loans from commercial banks, bearing interest at KIBOR minus 1.0 per annum and repayable in 2022.

- EGP 10,254 thousands (AED 2,395 thousands) of funding facilities from commercial banks in Egypt, bearing interest at rates ranging up to 1.0% plus CBE Corridor Rate and repayable by 2021.

- USD 180,000 thousands (AED 661,140 thousands) loan from a commercial bank in Turkey, bearing interest at LIBOR plus 1.25% per annum and repayable by 2022.

- USD 56,995 thousands (AED 209,345 thousands) loans from commercial banks in Lebanon, bearing interest up to 4.58% per annum and repayable by 2022.

- SAR 170,121 thousands (AED 166,600 thousands) loan from a commercial bank bearing interest at SIBOR plus 1% per annum and are repayable in 2023.

- INR 34,566,649 thousands (AED 1,709,943 thousands) loans from commercial banks in India, bearing interest from 5.80% to 9.50% per annum and repayable by 2026.

17 SUKUK

A. Emaar Sukuk Limited:

Emaar Sukuk Limited (the "Issuer"), a limited liability company registered in the Cayman Islands and a wholly- owned subsidiary of the Group, has established a trust certificate issuance programme (the "Programme") pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousands (AED 7,346,000 thousands) of trust certificates in series.

Series 3:

On 15 September 2016, the Issuer had issued the third series of the trust certificates (the "Sukuk 3") amounting to USD 750,000 thousands (AED 2,754,750 thousands) under the Programme. The Sukuk 3 is listed on NASDAQ Dubai and is due for repayment in 2026. Sukuk 3 carries a profit distribution at the rate of 3.64% per annum to be paid semi-annually. The carrying value of Sukuk 3 is as follows:

	30 September 2021 ***AED'000***	*31 December 2020* *AED'000* *(Audited)*
Sukuk liability as at period / year-end	**2,749,485**	2,748,390

Series 4:

On 17 September 2019, the Issuer has issued the fourth series of the trust certificates (the "Sukuk 4") amounting to USD 500,000 thousands (AED 1,836,500 thousands) under the Programme. The Sukuk 4 is listed on NASDAQ Dubai and is due for repayment in 2029. Sukuk 4 carries a profit distribution at the rate of 3.875% per annum to be paid semi-annually. The carrying value of Sukuk 4 is as follows:

	30 September 2021 ***AED'000***	*31 December 2020* *AED'000* *(Audited)*
Sukuk liability as at period / year-end	**1,832,281**	1,831,347

Series 5:

On 6 July 2021, the Issuer has issued fifth series of trust certificates (the "Sukuk 5") amounting to AED 1,836,500 thousands (USD 500,000 thousands) under the Programme. The Sukuk 5 is listed on NASDAQ Dubai and is due for repayment in 2031. Sukuk 5 carries a profit distribution at the rate of 3.7% per annum to be paid semi-annually. The carrying value of Sukuk 5 is as follows:

	30 September 2021 ***AED'000***
Proceeds from issuance of the Sukuk	**1,836,500**
Less: Sukuk issuance cost	**(5,351)**
Sukuk liability on initial recognition	**1,831,149**
Profit accrued up to period-end	**1,229**
Sukuk liability as at the end of the period	**1,832,378**

17 SUKUK (continued)

B. EMG Sukuk Limited:

On 18 June 2014, the EMG Sukuk Limited (the "Issuer"), a limited liability company registered in the Cayman Islands and a wholly-owned subsidiary of Emaar Malls Group PJSC ("EMG"), has issued trust certificates (the "Sukuk") amounting to USD 750,000 thousands (AED 2,754,750 thousands). The Sukuk is listed on the NASDAQ Dubai and is due for repayment in 2024. The Sukuk carries a profit distribution rate of 4.6% per annum to be paid semi-annually. The carrying value of Sukuk is as follows:

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited)*
Sukuk liability as at period / year-end	**2,747,875**	2,746,118

The total Sukuk liability is as follows:

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited)*
Emaar Sukuk Limited:		
- Series 3	**2,749,485**	2,748,390
- Series 4	**1,832,281**	1,831,347
- Series 5	**1,832,378**	-
EMG Sukuk Limited:		
- Sukuk	**2,747,875**	2,746,118
Total Sukuk liability as at period / year-end	**9,162,019**	7,325,855

18 SHARE CAPITAL

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited)*
Authorised capital 7,159,738,882 shares of AED 1 each (31 December 2020: 7,159,738,882 shares of AED 1 each)	**7,159,739**	7,159,739
Issued and fully paid-up 7,159,738,882 shares of AED 1 each (31 December 2020: 7,159,738,882 shares of AED 1 each)	**7,159,739**	7,159,739

Subsequent to the reporting date, at the Company's General Meeting held on 10 October 2021, the shareholders of the Company has approved to increase the authorised share capital to AED 8,179,739 thousands.

19 RESERVE

	Statutory reserve AED'000	*Capital reserve AED'000*	*General reserves AED'000*	*Share premium AED'000*	*Net unrealised gains/(losses) reserve AED'000*	*Foreign currency translation reserve AED'000*	*Total AED'000*
Balance as at 31 December 2020 *(Audited)*	**15,220,245**	**3,660**	**6,940,830**	**578,234**	**(1,411,088)**	**(3,766,221)**	**17,565,660**
Effect of changes due to restatements (note 2.4)	**-**	**-**	**-**	**-**	**-**	**(25,063)**	**(25,063)**
Balance at 1 January 2021 *(Restated)*	**15,220,245**	**3,660**	**6,940,830**	**578,234**	**(1,411,088)**	**(3,791,284)**	**17,540,597**
Decrease in unrealised reserve	**-**	**-**	**-**	**-**	**(161,953)**	**-**	**(161,953)**
Decrease in foreign currency translation reserve	**-**	**-**	**-**	**-**	**-**	**(23,340)**	**(23,340)**
Net loss recognised directly in equity	**-**	**-**	**-**	**-**	**(161,953)**	**(23,340)**	**(185,293)**
Balance as at 30 September 2021	**15,220,245**	**3,660**	**6,940,830**	**578,234**	**(1,573,041)**	**(3,814,624)**	**17,355,304**
Balance as at 31 December 2019 *(Audited)*	15,220,245	3,660	6,679,130	578,234	(1,359,497)	(3,559,043)	17,562,729
Effect of changes due to restatements (note 2.4)	-	-	-	-	-	(8,814)	(8,814)
Balance as at 1 January 2020 *(Restated)*	15,220,245	3,660	6,679,130	578,234	(1,359,497)	(3,567,857)	17,553,915
Decrease in unrealised reserve	-	-	-	-	(117,153)	-	(117,153)
Decrease in foreign currency translation reserve	-	-	-	-	-	(46,768)	(46,768)
Net loss recognised directly in equity	-	-	-	-	(117,153)	(46,768)	(163,921)
Acquisition of additional stake in subsidiary (i)	**-**	**-**	**-**	**-**	**-**	(209,352)	(209,352)
Balance as at 30 September 2020 *(Restated)*	15,220,245	3,660	6,679,130	578,234	(1,476,650)	(3,823,977)	17,180,642

19 RESERVE (continued)

(i) During the previous period, Emaar India Limited (EIL) had issued additional equity shares through right issue which resulted in an increase of ownership interest of the Group in EIL from 70.12% to 77.01%. This resulted in a decrease in the non-controlling interest amounting to AED 138,644 thousands (net of foreign currency translation reserve of AED 209,352 thousands) and a corresponding increase of the equity attributable to the owners of the Company of prior period in accordance with IFRS 10.

20 DIVIDEND

A cash dividend of AED 0.10 per share for 2020 was approved by the shareholders of the Company at the Annual General Meeting of the Company held on 11 April 2021.

21 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. 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:

	Nine-month period ended	
	30 September 2021 AED'000	*30 September 2020 AED'000*
Associates and Joint Ventures:		
Property development expenses	**22,646**	36,038
Islamic finance income	**1,683**	1,796
Selling, general and administrative expenses	**5,542**	5,993
Revenue from leasing, retail and related income	**150**	2,436
Cost of revenue	**541**	656
Capital expenditure	**-**	10,350
Other operating income	**2,247**	6,715
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	**131,766**	113,211
Rental income from leased properties and related income	**68,548**	65,217
Finance costs	**42,184**	35,386
Finance income	**4,441**	-
Revenue from hospitality	**-**	21
Cost of revenue	**8,287**	60,632
Other income	**2,250**	4,700
Other operating income	**28,965**	42,933

21 RELATED PARTY DISCLOSURES (continued)

Related party balances

Significant related party balances (and the interim condensed consolidated statement of financial position captions within which these are included) are as follows:

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited)*
Associates and joint ventures:		
Trade and other payables	**50,620**	70,644
Trade and unbilled receivables	**1,013**	881
Directors, Key management personnel and their related parties:		
Bank balances and cash	**1,705,725**	2,187
Trade and unbilled receivables	**14,681**	42,720
Other assets, receivables, deposits and prepayments	**125,943**	820,020
Advance from customers	**4,748**	3,092
Trade and other payables	**708,260**	737,874
Interest-bearing loans and borrowings	**1,905,892**	-

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	30 September 2021	*30 September 2020*
	AED'000	*AED'000*
Short-term benefits	**204,005**	236,342
Employees' end-of-service benefits	**6,263**	6,360
	210,268	242,702

During the period, the number of key management personnel is 156 (30 September 2020: 176).

During the period, the Company has paid a remuneration of AED 9,329 thousands to the non-executive members of the Board of Directors for the year 2020 as approved by the shareholders at the Annual General Meeting of the Company held on 11 April 2021.

22 GUARANTEES AND CONTINGENCIES

a) Guarantees

1. The Group has issued financial guarantees and letters of credit of AED 35,849 thousands (31 December 2020: AED 217,906 thousands).

2. The Group has provided a financial guarantee of AED 5,000 thousands (31 December 2020: AED 5,000 thousands) as security for the letter of guarantee issued by a commercial bank for issuance of a trade license from the Government of Dubai.

3. The Group has provided a performance guarantee of AED 5,901,030 thousands (31 December 2020: AED 6,517,374 thousands) to the Real Estate Regulatory Authority (RERA), Dubai for its new projects as per RERA regulations.

4. The Group has provided a corporate guarantee of AED 374,059 thousands (31 December 2020: AED 88,043 thousands) to a commercial bank as security for the guarantees issued by the bank on behalf of the joint venture of the Group.

5. The Group has provided performance guarantees of AED 106,532 thousands (31 December 2020: AED 98,926 thousands) to various government authorities in India for its projects. The banks have a lien of AED 131,853 thousands (31 December 2020: AED 116,361 thousands) towards various facilities (refer note 8).

6. The Group has provided a letter of credit and credit card facility of AED 438 thousands (31 December 2020: AED 25,296 thousands) in Egypt for its project. The bank has a lien of AED 438 thousands (31 December 2020: AED 25,296 thousands) towards this letter of credit and credit card (refer note 8).

7. The Group has provided a bank guarantee of AED 11,678 thousands (31 December 2020: AED 11,664 thousands) to government authority in Egypt for its project. The bank has a lien of AED 11,678 thousands (31 December 2020: AED 11,664 thousands) towards this bank guarantee (refer note 8).

b) Contingencies

1. (a) Andhra Pradesh Industrial Infrastructure Corporation Ltd. (‘APIIC’), a joint venture partner in certain subsidiaries of the Group in India, issued a legal notice to the Emaar India Land Ltd. (Emaar India) to terminate certain development and operational management agreements which were entered into between Emaar India, Emaar Hills Township Private Limited (‘EHTPL’ – a joint venture of the Group with APIIC) and Boulder Hills Leisure Private Limited (‘BHLPL’ – a joint venture of the Group with APIIC). APIIC has filed another suit against Emaar India to restrain Emaar India from carrying out any activity related to these developments. In addition thereto, number of litigations were initiated against the Group by third parties on the grounds of irregularities in acquisition and allocation of land, sale plots etc.

   The management based on legal advice, is of the opinion that all the aforesaid suits filed by APIIC which are now being defended by Telangana State Industrial Infrastructure Corporation (‘TSIIC’), shall be settled amicably by the parties under the Indian Arbitration and Conciliation Act, 1996 or as per the Dispute Redressal Mechanism provided under AP Infrastructure Development Enabling Act, 2001. Pending completion of various ongoing legal proceedings related to the above-mentioned projects and based on the legal advice received, the management believes that the allegations/matters raised are contrary to the factual position and hence are not tenable.

   (b) During the year, TSIIC has filed a Petition before National Company Law Tribunal, Hyderabad Bench (“NCLT”) against EHTPL and certain other parties under Section 241 and 242 of the Indian Companies Act 2013. The management believes that since the factual position with respect to demerger proceedings between APIIC and TSIIC has not changed and are still pending, therefore TSIIC has no locus standi to file the petition as it is not a shareholder of EHTPL and its name has not been entered into the Statutory Register of Members as maintained in terms of the provisions of Indian Companies Act 2013. Accordingly, management believes that the petition filed by TSIIC is not tenable.

22 GUARANTEES AND CONTINGENCIES (continued)

2. Emaar MGF Construction Private Limited (EMCPL), a subsidiary of the Group, had developed and constructed the Commonwealth Games Village (CWGV) in India on a public private partnership model as per Project Development Agreement (PDA) entered with Delhi Development Authority (DDA) on 14 September 2007. After acknowledging the project completion by issuing occupancy certificate, DDA invoked the performance Bank Guarantee (BG) of INR 1,830 million (AED 91 million) on account of Liquidated Damages (LD) and other claims on account of excess Floor Area Ratio (FAR) consumed and utilized, forfeiture of certain no. of apartments, and certain other claims alleging that EMCPL had not been able to achieve the timelines as per the terms of PDA. EMCPL contested the invocation of BG by filing a Petition with the Hon'ble Delhi High Court, for stay of encashment of the Bank Guarantees. Later, the Division Bench disposed off the said appeal by forming an Arbitral Tribunal and gave liberty to the parties to refer all their disputes to the Arbitral Tribunal. Arbitral Tribunal directed both the parties to file their respective claims. Pursuant to this, EMCPL filed statement of facts along with claims amounting to INR 14,182 million (AED 702 million). DDA filed their reply to EMCPL's statement of facts and claims and also filed their counter claims amounting to INR 14,460 million (AED 715 million) including LD. The above matter is pending before the Arbitral Tribunal.

   The management believes, based on legal opinion, that EMCPL has met the requirements as per PDA and the LD imposed / BG invoked and other claims raised by DDA are not justifiable.

3. Ahluwalia Contracts (India) Limited (the "Contractor") appointed by EMCPL for the construction of the CWGV project in Delhi had filed certain claims which were not accepted by EMCPL. Consequently, the Contractor invoked the arbitration clause under the contract and filed claims amounting to INR 5,280 million (AED 261 million) relating to the works supposed to have been carried out by it but not accepted by EMCPL. EMCPL also filed its Counter Claims amounting to INR 11,703 million (AED 579 million) against the Contractor for deficient and defective works, adjustments in billing and payments in line with the contract and also a back to back claim on account of the invocation of BG as stated above. The above matter is pending before the Arbitral Tribunal for final arguments.

   The management believes that the Contractor has defaulted as per the Contract and claims raised by them are not in accordance with the terms of the contract. Accordingly, EMCPL is hopeful of a favorable decision from the arbitration panel.

4. During the normal course of business, various cases were filed by the homebuyers against the Group's subsidiaries in India in NCLT under the provision of Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 ("Code"). Various such cases have already been disposed off by NCLT and remaining cases will be heard in due course of time. Management of these subsidiaries are taking appropriate steps for amicable resolution and settlement of disputes with its customers. Based on the developments on various cases and legal advice received, while there is no guarantee to the outcome, management believes that no material liability should devolve on these subsidiaries in respect of these cases.

23 COMMITMENTS

At 30 September 2021, the Group had commitments of AED 9,901,173 thousands (31 December 2020: AED 12,518,498 thousands) which include project commitments of AED 9,132,669 thousands (31 December 2020: AED 11,654,587 thousands). This represents the value of contracts entered into by the Group including contracts entered for purchase of plots of land at period end net of invoices received and accruals made at that date.

Furthermore, in accordance with the Development Agreement entered by the Group with the joint venture of Mina Rashid project, the Group has a commitment to pay 30% of future profits of the project over the project life cycle.

The Group has provided minimum performance guarantees for a specified period to owners of the hotel which it operates under the hotel management contracts.

There are certain claims submitted by contractors and other parties 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 COMMITMENTS (continued)

Operating lease commitments - Group as lessor

The Group has entered into leases on its investment property portfolio. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	30 September 2021	*31 December 2020*
	AED'000	*AED'000 (Audited)*
Within one year	**2,661,761**	1,975,124
After one year but not more than five years	**5,138,252**	5,264,016
More than five years	**1,027,165**	1,258,178
	8,827,178	8,497,318

In addition to the above lease commitments, the Group also have rent agreements where in it is entitled to receive rent based on turnover of tenants and services charges.

24 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, investment in securities, loans and advances, other receivables and due from related parties. Financial liabilities of the Group include customer deposits, interest-bearing loans and borrowings, sukuk, accounts payable, retentions payable and other payable.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.