

Emaar Malls PJSC and its subsidiaries

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 JUNE 2021

Emaar Malls PJSC and its subsidiaries

**Unaudited Interim Condensed Consolidated Financial Statements
For the period ended 30 June 2021**

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KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of Emaar Malls PJSC

Introduction

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

- the interim condensed consolidated statement of comprehensive income for the three month and six month periods ended 30 June 2021;
- the interim condensed consolidated statement of financial position as at 30 June 2021;
- the interim condensed consolidated statement of cash flows for the six month period ended 30 June 2021;
- the interim condensed consolidated statement of changes in equity for the six month period ended 30 June 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 International Accounting Standard ("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 Statements 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.



Emaar Malls PJSC
*Independent Auditors' Report on Review of Interim Condensed
Consolidated Financial Statements
30 June 2021*

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 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: **10 AUG 2021**

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2021 (Unaudited)

(US \$1.00 = AED 3.673)

	Notes	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
		<u>30 June</u> <u>2021</u> <u>AED'000</u>	<u>30 June</u> <u>2020</u> <u>AED'000</u>	<u>30 June</u> <u>2021</u> <u>AED'000</u>	<u>30 June</u> <u>2020</u> <u>AED'000</u>
Revenue	4	2,048,442	1,659,943	1,146,998	660,949
Cost of revenue	5	(653,192)	(565,319)	(401,162)	(311,667)
GROSS PROFIT		1,395,250	1,094,624	745,836	349,282
Sales and marketing expenses		(265,737)	(257,984)	(162,604)	(156,378)
General and administrative expenses		(140,823)	(171,832)	(77,542)	(64,339)
Depreciation and amortisation		(259,161)	(222,598)	(139,934)	(107,520)
OPERATING PROFIT FOR THE PERIOD		729,529	442,210	365,756	21,045
Finance income		3,968	9,515	2,621	8,464
Finance costs	6	(111,868)	(106,500)	(64,970)	(62,695)
PROFIT/(LOSS) FOR THE PERIOD	7	621,629	345,225	303,407	(33,186)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		621,629	345,225	303,407	(33,186)
ATTRIBUTABLE TO:					
Equity holders of the parent		621,629	345,225	303,407	(33,186)
		621,629	345,225	303,407	(33,186)
Earnings per share (AED):					
Equity holders of the parent basic and diluted	8	0.05	0.03	0.02	(0.00)

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

(US \$1.00 = AED 3.673)

		30 June 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	184,678	140,618
Investment properties	10	22,149,264	22,176,399
Goodwill and intangible assets	11	541,351	546,422
Right-of-use assets	12	1,182,253	519,415
		<u>24,057,546</u>	<u>23,382,854</u>
Current assets			
Inventories		381,012	291,395
Trade and unbilled receivables	13	413,258	378,569
Advances, prepayments and other receivables		167,655	216,538
Due from related parties	14	183,829	163,184
Bank balances and cash	15	1,638,407	558,949
		<u>2,784,161</u>	<u>1,608,635</u>
TOTAL ASSETS		<u><u>26,841,707</u></u>	<u><u>24,991,489</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	13,014,300	13,014,300
Reserves	17	2,343,554	2,343,554
Retained earnings		4,319,322	3,702,118
Equity attributable to the equity holders of the parent		<u>19,677,176</u>	<u>19,059,972</u>
Non-current liabilities			
Provision for employees' benefits		40,609	32,698
Interest bearing loans and borrowings	18	-	3,550
Sukuk	19	2,747,279	2,746,118
Retentions payable after 12 months		13,436	14,483
Lease liabilities payable after 12 months	12	1,083,349	480,996
		<u>3,884,673</u>	<u>3,277,845</u>
Current liabilities			
Due to related parties	14	83,137	145,293
Accounts payable and accruals	20	1,482,683	1,234,210
Interest bearing loans and borrowings	18	5,453	-
Advances and security deposits		1,228,585	1,129,073
Retentions payable within 12 months		21,232	16,779
Lease liabilities payable within 12 months	12	124,896	49,204
Deferred income		333,872	79,113
		<u>3,279,858</u>	<u>2,653,672</u>
TOTAL LIABILITIES		<u><u>7,164,531</u></u>	<u><u>5,931,517</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>26,841,707</u></u>	<u><u>24,991,489</u></u>

To the best of our knowledge, the interim condensed consolidated financial statements fairly presents, in all material respects, the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group as of, and for, the period ended 30 June 2021. These interim condensed consolidated financial statements were authorised for issue by Board of Directors and signed on their behalf by:

Director

Director

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2021 (Unaudited)

(US \$1.00 = AED 3.673)

		<i>1 January 2020 to 30 June 2021 AED'000</i>	<i>1 January 2020 to 30 June 2020 AED'000</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit for the period		621,629	345,225
Adjustments for:			
Depreciation of property, plant and equipment	9	11,126	11,604
Depreciation of investment properties	10	206,106	192,798
Amortisation of intangible assets with definite useful life	11	5,071	5,807
Depreciation of right-of-use assets	12	36,858	12,389
Provision for doubtful debts	13	-	61,025
Provision for employees' end of service benefits		2,858	953
Provision/ (reversal) of employees' equity option plan		6,000	4,200
Finance costs	6	111,868	106,500
Finance income		(3,968)	(9,515)
		997,548	730,986
Working capital changes:			
Inventories		(89,617)	(102,852)
Trade receivables		(34,689)	(275,055)
Due from related parties		(20,645)	(6,007)
Advances, prepayments and other receivables		49,980	(30,187)
Due to related parties		(113,808)	95,751
Accounts payable and accruals		226,015	267,621
Advances and security deposits		99,512	2,321
Retentions payable		3,406	(132)
Deferred income		254,759	84,390
Net cash flows from operations		1,372,461	766,836
Employees' end of service benefits paid		(947)	(2,697)
Net cash flows from operating activities		1,371,514	764,139
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	9	(45,744)	(7,633)
Amounts incurred on investment properties	10	(166,808)	(205,568)
Interest received		2,871	6,110
Investment in fixed deposits maturing after three months		-	(940,288)
Net cash flows used in investing activities		(209,681)	(1,147,379)
FINANCING ACTIVITIES			
Proceeds from interest bearing loans and borrowings		-	1,836,500
Repayment of interest bearing loans and borrowings		-	(661,140)
Finance cost paid		(77,733)	(91,979)
Payment of lease liabilities	12	(217)	(95)
Bonus paid to Board of Directors	14(c)	(4,425)	(2,275)
Net cash flows (used in)/ generated from financing activities		(82,375)	1,081,011
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,079,458	697,771
Cash and cash equivalents at 1 January		558,949	195,202
CASH AND CASH EQUIVALENTS AT 30 JUNE	15	1,638,407	892,973
SUPPLEMENTAL NON-CASH INFORMATION			
Investment properties project cost accruals		21,605	18,982

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2021 (Unaudited)

	<i>Equity attributable to equity holders of the Parent</i>			
	<i>Share capital AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
<i>1 January 2021 to 30 June 2021</i>				
As at 1 January 2021 (Audited)	13,014,300	2,343,554	3,702,118	19,059,972
Profit for the period	-	-	621,629	621,629
Total comprehensive income for the period	-	-	621,629	621,629
Directors' bonus [note 14(c)]	-	-	(4,425)	(4,425)
As at 30 June 2021	13,014,300	2,343,554	4,319,322	19,677,176

	<i>Equity attributable to equity holders of the Parent</i>			
	<i>Share capital AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
<i>1 January 2020 to 30 June 2020</i>				
As at 1 January 2020 (Audited)	13,014,300	2,202,832	3,143,781	18,360,913
Profit for the period	-	-	345,225	345,225
Total comprehensive income for the period	-	-	345,225	345,225
Directors' bonus [note 14(c)]	-	-	(4,550)	(4,550)
As at 30 June 2020	13,014,300	2,202,832	3,484,456	18,701,588

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

1 CORPORATE INFORMATION

Emaar Malls Public Joint Stock Company (the "Company") and its subsidiaries (together the "Group") was established as a public joint stock company by Ministerial Decree number 922 of the year 2014 dated 30 September 2014.

The Company is a subsidiary of Emaar Properties PJSC (the "Parent Company"), a company incorporated in the United Arab Emirates and listed on the Dubai Financial Market. During the year ended 31 December 2014, the Parent Company converted the legal status of the Company from that of a limited liability company to public joint stock company and sold 15.37% of their shareholding in the Company through an Initial Public Offering ("IPO"). The Company is listed on the Dubai Financial Market and its shares were traded with effect from 2 October 2014.

The principal activities of the Group are retail development and management of shopping malls and online retail.

The address of the registered office of the Group is P.O. Box 191741, Dubai, United Arab Emirates.

During the period, the respective Board of Directors of the Company and Parent Company have recommended an all share merger to their respective shareholders. As part of the transaction, the existing business of the Company is to be reconstituted as a wholly owned subsidiary of Parent Company which will continue to develop and hold a portfolio of premium shopping malls and retail assets. This transaction is subject to completion of necessary legal and statutory formalities and approvals including from the respective shareholders. Post completion of the transaction, the Company's shares will be delisted from the Dubai Financial Market.

The interim condensed consolidated financial statements were authorised for issue on 10 August 2021.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* and applicable requirements of United Arab Emirates law.

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 and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

Results for the six-months period and Three-months period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the year ending 31 December 2021.

In accordance with the circular issued by of Securities and Commodities Authority, the interim condensed consolidated financial statements for the three months period ended 31 March 2020 have not been issued.

The interim condensed consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Group's functional and presentation currency and all values are rounded to the nearest thousand except where otherwise indicated.

The interim condensed consolidated financial statements have been prepared on a historical cost basis.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company (its subsidiaries) as at 30 June 2021. Control is achieved where all the following criteria are met:

- (a) the Company has power over an entity;
- (b) the Company has exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the Company has the ability to use its power over the entity to affect the amount of the Company's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest are measured at their proportionate share of acquiree's identifiable net asset 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 loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit and loss;
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The details of the Company's significant subsidiaries are as follows:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Legal Ownership</i>	
			<i>2021</i>	<i>2020</i>
The Dubai Mall LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	99%	99%
Emaar Dubai Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	99%	99%
Emaar International Malls LLC	UAE	Self owned property leasing, buying and selling of real estate and management services	99%	99%
Namshi Holding Limited	UAE	Holding company for Namshi group companies engaged in online retail business and related services	100%	100%

These entities are 100% beneficially owned by the Company.

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 POLICIES

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2020.

2.3 SIGNIFICANT ESTIMATES AND JUDGMENTS

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2020.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

2.4 NEW STANDARDS AND AMENDMENTS

A number of new standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these interim condensed consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's interim condensed consolidated financial statements.

- Reference to Conceptual Framework - Amendments to IFRS 3
- Onerous contract: cost of fulfilling a contract (Amendments to IAS 37)
- Annual improvements to IFRS standards 2018-2020
- Property, plant and equipment: proceeds before intended use (Amendments to IAS 16)
- Classification of liabilities as current or Non-current (Amendments to IAS 1)
- Definition of accounting estimates (Amendments to IAS 8)

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 profit or loss and is measured consistently with the net profit or loss in the interim condensed consolidated financial statements.

Geographic segment

The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented in the interim condensed consolidated financial statements relates to its operations in the UAE.

Business segments

For management purposes, the Group is organised into six segments, namely:

Super Regional Malls:

Super regional malls include shopping centres which individually hold gross leasable area of more than 800 thousands sq. ft.

Regional Malls:

Regional malls include shopping centres individually holds gross leasable area of more than 400 thousands sq. ft. but less than 800 thousands sq. ft.

Community Retail:

Community Retail includes shopping centres or retail outlets individually hold gross leasable area of less than 400 thousands sq. ft.

Specialty Retail:

Specialty retail includes shopping centres mainly offering specialty stores for fine and casual dining, commercial offices or retail outlets of manufacturers.

Online Retail:

Namshi, a regional online fashion portal, constitutes the online retail business segment of the Group.

Others:

Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 *Operating Segments* and head office balances.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

The following tables include revenue, results and other segment information from 1 January 2021 to 30 June 2021, 1 April 2021 to 30 June 2021, 1 January 2020 to 30 June 2020 and 1 April 2020 to 30 June 2020. Assets and liabilities information regarding business segments are presented as at 30 June 2021 and 31 December 2020.

	<i>Super Regional Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Specialty Retail AED'000</i>	<i>Online Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>1 January 2021 to 30 June 2021:</i>							
Revenue:							
Rental income from leased properties	1,126,861	74,981	99,234	42,641	-	19,271	1,362,988
Other revenue	-	-	-	-	685,454	-	685,454
Total Revenue	1,126,861	74,981	99,234	42,641	685,454	19,271	2,048,442
Results:							
Profit/(loss) for the period	692,998	42,760	46,165	20,419	(69,285)	(111,428)	621,629
Other segment information							
Capital expenditure: (Property, plant and equipment and investment properties)	176,884	4,494	5,547	45,690	822	721	234,157
Depreciation and amortisation: (Property, plant and equipment, investment properties, right-of-use asset and intangible assets)	198,301	16,097	24,447	10,178	8,016	2,122	259,161
Finance costs	30,631	-	-	-	197	81,040	111,868

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Regional Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Specialty Retail AED'000</i>	<i>Online Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>1 April 2021 to 30 June 2021:</i>							
Revenue:							
Rental income from leased properties	599,670	34,282	46,933	21,764	-	17,272	719,921
Other revenue	-	-	-	-	427,077	-	427,077
Total Revenue	<u>599,670</u>	<u>34,282</u>	<u>46,933</u>	<u>21,764</u>	<u>427,077</u>	<u>17,272</u>	<u>1,146,998</u>
Results:							
Profit/(loss) for the period	<u>360,840</u>	<u>19,040</u>	<u>18,435</u>	<u>11,428</u>	<u>(44,055)</u>	<u>(62,281)</u>	<u>303,407</u>
Other segment information							
Capital expenditure: (Property, plant and equipment and investment properties)	<u>89,847</u>	<u>1,679</u>	<u>2,226</u>	<u>4,200</u>	<u>775</u>	<u>194</u>	<u>98,920</u>
Depreciation and amortisation: (Property, plant and equipment, investment Properties, right-of-use assets and intangible assets)	<u>108,692</u>	<u>7,792</u>	<u>12,932</u>	<u>5,112</u>	<u>3,973</u>	<u>1,433</u>	<u>139,934</u>
Finance costs	<u>24,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141</u>	<u>40,767</u>	<u>64,970</u>
Assets and liabilities							
<i>As at 30 June 2021:</i>							
Segment assets	<u>20,713,898</u>	<u>1,286,229</u>	<u>1,265,124</u>	<u>1,481,673</u>	<u>721,295</u>	<u>1,373,488</u>	<u>26,841,707</u>
Segment liabilities	<u>2,534,202</u>	<u>99,332</u>	<u>214,519</u>	<u>100,768</u>	<u>1,309,581</u>	<u>2,906,129</u>	<u>7,164,531</u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Regional Malls</i>	<i>Regional Malls</i>	<i>Community Retail</i>	<i>Specialty Retail</i>	<i>Online Retail</i>	<i>Others</i>	<i>Total</i>
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<i>1 January 2020 to 30 June 2020:</i>							
Revenue:							
Rental income from leased properties	820,446	57,380	78,406	28,360	-	8,599	993,191
Online retail	-	-	-	-	666,752	-	666,752
	<u>820,446</u>	<u>57,380</u>	<u>78,406</u>	<u>28,360</u>	<u>666,752</u>	<u>8,599</u>	<u>1,659,943</u>
Total Revenue							
Results:							
Profit/(loss) for the period	411,732	25,774	29,046	3,571	(22,840)	(102,058)	345,225
	<u>411,732</u>	<u>25,774</u>	<u>29,046</u>	<u>3,571</u>	<u>(22,840)</u>	<u>(102,058)</u>	<u>345,225</u>
Other segment information							
Capital expenditure:							
(Property, plant and equipment and investment properties)	186,873	3,334	35,527	5,188	82	1,179	232,183
	<u>186,873</u>	<u>3,334</u>	<u>35,527</u>	<u>5,188</u>	<u>82</u>	<u>1,179</u>	<u>232,183</u>
Depreciation and amortisation:							
(Property, plant and equipment, investment properties, right-of-use asset and intangible assets)	167,225	16,207	18,189	10,337	9,148	1,492	222,598
	<u>167,225</u>	<u>16,207</u>	<u>18,189</u>	<u>10,337</u>	<u>9,148</u>	<u>1,492</u>	<u>222,598</u>
Finance costs	13,600	-	-	-	246	92,654	106,500
	<u>13,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246</u>	<u>92,654</u>	<u>106,500</u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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3 SEGMENT INFORMATION (continued)

Business segments (continued)

	<i>Super Regional Malls AED'000</i>	<i>Regional Malls AED'000</i>	<i>Community Retail AED'000</i>	<i>Specialty Retail AED'000</i>	<i>Online Retail AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
<i>1 April 2020 to 30 June 2020:</i>							
Revenue:							
Rental income from leased properties	199,486	14,675	30,594	5,946	-	1,266	251,967
Online retail	-	-	-	-	408,982	-	408,982
Total Revenue	<u>199,486</u>	<u>14,675</u>	<u>30,594</u>	<u>5,946</u>	<u>408,982</u>	<u>1,266</u>	<u>660,949</u>
Results:							
Profit/(loss) for the period	<u>12,665</u>	<u>1,303</u>	<u>10,142</u>	<u>(4,430)</u>	<u>(3,900)</u>	<u>(48,966)</u>	<u>(33,186)</u>
Other segment information							
Capital expenditure: (Property, plant and equipment and investment properties)	108,411	1,480	20,640	3,170	-	437	134,138
Depreciation and amortisation: (Property, plant and equipment, investment properties, right-of-use asset and intangible assets)	<u>79,666</u>	<u>8,099</u>	<u>9,090</u>	<u>5,168</u>	<u>4,629</u>	<u>868</u>	<u>107,520</u>
Finance costs	<u>13,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160</u>	<u>49,385</u>	<u>62,695</u>
Assets and liabilities							
<i>As at 31 December 2020 (Audited):</i>							
Segment assets	<u>20,502,640</u>	<u>1,270,364</u>	<u>947,041</u>	<u>1,411,392</u>	<u>561,000</u>	<u>299,052</u>	<u>24,991,489</u>
Segment liabilities	<u>1,625,471</u>	<u>92,222</u>	<u>198,170</u>	<u>99,075</u>	<u>1,076,906</u>	<u>2,839,673</u>	<u>5,931,517</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

4 REVENUE

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Rental income from leased properties				
Base rent	1,025,901	652,059	533,847	139,668
Turnover rent	-	87,173	-	65,396
Services charges	171,400	120,012	89,601	27,172
Promotion and marketing contribution	29,564	23,087	15,073	7,763
Specialty leasing	59,625	51,945	31,588	702
Multimedia	16,171	19,392	8,805	5,442
Others	60,327	39,523	41,007	5,824
	<u>1,362,988</u>	<u>993,191</u>	<u>719,921</u>	<u>251,967</u>
Online retail	685,454	666,752	427,077	408,982
	<u>2,048,442</u>	<u>1,659,943</u>	<u>1,146,998</u>	<u>660,949</u>

5 COST OF REVENUE

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Operating cost of leasing activities				
Housekeeping and facility management	78,525	69,662	39,128	28,510
Direct staff costs	26,565	25,663	13,291	10,106
Utilities – net	30,006	19,952	18,561	12,124
Security	16,023	15,588	8,135	6,909
Others	45,935	29,149	29,895	12,231
	<u>197,054</u>	<u>160,014</u>	<u>109,010</u>	<u>69,880</u>
Cost of online retail revenue	456,138	405,305	292,152	241,787
	<u>653,192</u>	<u>565,319</u>	<u>401,162</u>	<u>311,667</u>

6 FINANCE COSTS

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
Interest on loans and borrowings	14,812	27,938	7,446	17,034
Interest on sukuk	64,000	63,623	32,340	31,812
Interest expense on lease liabilities	30,766	13,778	24,142	13,241
Others	2,290	1,161	1,042	608
	<u>111,868</u>	<u>106,500</u>	<u>64,970</u>	<u>62,695</u>

Emaar Malls PJSC and its subsidiaries

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At 30 June 2021 (Unaudited)

7 PROFIT/(LOSS) FOR THE PERIOD

The profit/(loss) for the period is stated after charging:

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 June</u> <u>2021</u> <u>AED'000</u>	<u>30 June</u> <u>2020</u> <u>AED'000</u>	<u>30 June</u> <u>2021</u> <u>AED'000</u>	<u>30 June</u> <u>2020</u> <u>AED'000</u>
Indirect staff costs	<u>62,825</u>	<u>53,970</u>	<u>32,369</u>	<u>25,771</u>

8 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<u>30 June</u> <u>2021</u> <u>AED'000</u>	<u>30 June</u> <u>2020</u> <u>AED'000</u>	<u>30 June</u> <u>2021</u> <u>AED'000</u>	<u>30 June</u> <u>2020</u> <u>AED'000</u>
Earnings:				
Profit attributable to the shareholders for basis or diluted earnings per share	<u>621,629</u>	<u>345,225</u>	<u>303,407</u>	<u>(33,186)</u>
No of shares:				
Weighted average number of ordinary shares for basic and diluted earnings per share	<u>13,014,300</u>	<u>13,014,300</u>	<u>13,014,300</u>	<u>13,014,300</u>
Earnings per share (AED):				
- basic and diluted	<u>0.05</u>	<u>0.03</u>	<u>0.02</u>	<u>0.00</u>

9 PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2021, the Group purchased property, plant and equipment of AED 45,744 thousands (period ended 30 June 2020: AED 7,633 thousands) and charged depreciation expense to the interim condensed consolidated income statement of AED 11,126 thousands (period ended 30 June 2020: AED 11,604 thousands). During the period, cost of AED 9,387 thousands was reclassified from Investment properties to Property, Plant and Equipment and accumulated depreciation of AED 55 thousands was reclassified from Property, Plant and Equipment to Investment Properties.

10 INVESTMENT PROPERTIES

During the period ended 30 June 2021, the Group had additions of AED 188,413 thousands (period ended 30 June 2020: AED 224,550 thousands) and charged depreciation expense to the interim condensed consolidated income statement of AED 206,106 thousands (period ended 30 June 2020: AED 192,798 thousands). During the period, cost of AED 9,387 thousands was reclassified from Investment properties to Property, Plant and Equipment and accumulated depreciation of AED 55 thousands was reclassified from Property, Plant and Equipment to Investment Properties.

Based on the fair valuation of investment properties as at 31 December 2020, there were significant headroom in the fair value of these investment properties. The fair value of Group's freehold interests in investment properties at 31 December 2020 amounting to AED 45,295,970 thousands was determined by management based on valuations performed by independent valuer. Based on management assessment, there was no material change in fair value of the group's investment properties for the period ended 30 June 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

11 GOODWILL AND INTANGIBLE ASSETS

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Goodwill	365,012	365,012
Other intangible assets	176,339	181,410
	<u>541,351</u>	<u>546,422</u>

During the period ended 30 June 2021, the Group charged amortisation expense to interim condensed consolidated statement of comprehensive income of AED 5,071 thousands (period ended 30 June 2020: AED 5,807 thousands).

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period / year is as follows:

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
<i>Right-of-use assets</i>		
As at 1 January	519,415	9,012
Adjustments during the period / year (refer (i) below)	259,105	(4,650)
Additions during the period / year (refer (ii) below)	440,591	544,502
Depreciation expense	(36,858)	(29,449)
Balance as at period / year end	<u>1,182,253</u>	<u>519,415</u>
<i>Lease liabilities</i>		
As at 1 January	530,200	10,229
Adjustments during the period / year (refer (i) below)	258,265	(2,333)
Additions during the period / year (refer (ii) below)	440,591	544,502
Interest expense	30,766	27,295
Deferred lease liabilities (refer note 14 (b))	(51,360)	(45,521)
Payments during the period / year	(217)	(3,972)
Balance as at period / year end	<u>1,208,245</u>	<u>530,200</u>
<i>Lease liabilities are payable as below:</i>		
Lease liabilities payable after 12 months	1,083,349	480,996
Lease liabilities payable within 12 months	124,896	49,204
Balance as at period / year end	<u>1,208,245</u>	<u>530,200</u>

- (i) These include lease modification adjustment of AED 259,105 thousands in relation to change in lease consideration for one of the lease agreements.
- (ii) During the current period the Group has recognized lease liabilities of AED 440,591 thousands and corresponding right-of-use assets in relation to a new lease agreement with a related party.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Set out below, are the amounts recognised in interim condensed consolidated statement of comprehensive income:

	<u>Six-month period ended</u>		<u>Three-month period ended</u>	
	<i>30 June</i> <i>2021</i> <i>AED'000</i>	<i>30 June</i> <i>2020</i> <i>AED'000</i>	<i>30 June</i> <i>2021</i> <i>AED'000</i>	<i>30 June</i> <i>2020</i> <i>AED'000</i>
Depreciation expense of right-of-use assets	36,858	12,389	28,359	2,137
Interest expense on lease liabilities	30,766	13,778	24,142	13,241
	67,624	26,167	52,501	15,378

13 TRADE AND UNBILLED RECEIVABLES

	<i>30 June</i> <i>2021</i> <i>AED'000</i>	<i>31 December</i> <i>2020</i> <i>AED'000</i> <i>(Audited)</i>
Trade receivables – net	196,087	78,064
Unbilled receivables	217,171	300,505
	413,258	378,569

Trade receivables include amounts due from related parties amounting to AED 12,493 thousands (31 December 2020: AED 47,173 thousands) [note 14 (b)].

The above trade receivables are net of allowance for doubtful debts of AED 203,078 thousands (31 December 2020: AED 203,078 thousands) representing management's best estimate of doubtful trade receivables.

Movement in the allowance for doubtful debts is as follows:

	<i>30 June</i> <i>2021</i> <i>AED'000</i>	<i>31 December</i> <i>2020</i> <i>AED'000</i> <i>(Audited)</i>
Balance at 1 January	203,078	115,843
Net charge for the period / year	-	220,694
Write off / adjustments during the period / year -net	-	(133,459)
Balance at period / year end	203,078	203,078

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES

- (a) 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:

	<i>1 January 2021 to 30 June 2021 AED'000</i>	<i>1 January 2020 to 30 June 2020 AED'000</i>
<i>Revenue</i>		
Parent Company	3,617	18,096
Affiliated entities	36,028	51,517
Entities owned or controlled by Directors and other related parties	42,596	81,940
	<u><u> </u></u>	<u><u> </u></u>
<i>Cost of revenue</i>		
Parent Company	18,186	14,933
Affiliated entities	100,929	82,454
Entities owned or controlled by Directors and other related parties	(1,242)	(1,945)
	<u><u> </u></u>	<u><u> </u></u>
<i>Cost of online retail revenue</i>		
Entities owned or controlled by Directors and other related parties	8,657	22,653
	<u><u> </u></u>	<u><u> </u></u>
<i>Sales and marketing expenses</i>		
Parent Company	2,220	1,149
Affiliated entities	131	374
Entities owned or controlled by Directors and other related parties	36,148	15,968
	<u><u> </u></u>	<u><u> </u></u>
<i>General and administrative expense</i>		
Parent Company	30,698	26,496
Affiliated entities	(564)	998
Entities owned or controlled by Directors and other related parties	901	433
	<u><u> </u></u>	<u><u> </u></u>
<i>Finance income</i>		
Entities owned or controlled by Directors and other related parties	1,069	-
	<u><u> </u></u>	<u><u> </u></u>
<i>Finance costs</i>		
Parent Company	-	13,600
Entities owned or controlled by Directors and other related parties	2,222	1,815
	<u><u> </u></u>	<u><u> </u></u>

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties included in the interim consolidated statement of financial position are as follows:

	<i>Bank balances and cash AED '000</i>	<i>Due from related parties AED '000</i>	<i>Trade and unbilled receivables AED '000</i>	<i>Interest bearing loans and borrowings AED '000</i>	<i>Due to related parties* AED '000</i>	<i>Deferred income AED '000</i>	<i>Accounts payable and accruals AED '000</i>	<i>Right-of- use assets AED'000</i>	<i>Lease liabilities AED'000</i>
30 June 2021									
<i>Non-current</i>									
Parent Company	-	-	-	-	-	-	-	1,178,612	1,081,332
Entities owned or controlled by Directors and other related parties	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,178,612</u>	<u>1,081,332</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,178,612</u></u>	<u><u>1,081,332</u></u>
<i>Current</i>									
Parent Company	-	-	-	-	61,538	1,276	-	-	123,199
Affiliated entities	-	183,829	-	-	21,599	21,639	-	-	-
Entities owned or controlled by Directors and other related parties	535,702	-	12,493	-	-	15,782	102	-	-
	<u>535,702</u>	<u>-</u>	<u>12,493</u>	<u>-</u>	<u>-</u>	<u>15,782</u>	<u>102</u>	<u>-</u>	<u>-</u>
	<u><u>535,702</u></u>	<u><u>183,829</u></u>	<u><u>12,493</u></u>	<u><u>-</u></u>	<u><u>83,137</u></u>	<u><u>38,697</u></u>	<u><u>102</u></u>	<u><u>-</u></u>	<u><u>123,199</u></u>

* This includes deferred lease liabilities payable to the Parent Company amounting to AED 51,360 thousands.

During the period, interest expense of AED 30,766 thousands (period ended 30 June 2020: AED 13,778 thousands) has been booked as unwinding of the lease liability.

Emaar Malls PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES (continued)

(b) Balances with related parties included in the interim consolidated statement of financial position are as follows (continued):

<i>31 December 2020 (Audited)</i>	<i>Bank balances and cash AED '000</i>	<i>Due from related parties AED '000</i>	<i>Trade and unbilled receivables AED '000</i>	<i>Interest bearing loans and borrowings AED '000</i>	<i>Due to related parties AED '000</i>	<i>Deferred income AED '000</i>	<i>Accounts payable and accruals AED '000</i>	<i>Right-of- use assets AED'000</i>	<i>Lease liabilities AED'000</i>
<i>Non-current</i>									
Parent Company	-	-	-	-	-	-	-	513,784	479,948
Entities owned or controlled by Directors and other related parties	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,784</u>	<u>479,948</u>
<i>Current</i>									
Parent Company	-	-	-	-	92,980	1,333	-	-	45,521
Affiliated entities	-	163,184	-	-	52,313	22,789	-	-	-
Entities owned or controlled by Directors and other related parties	2,187	-	47,173	-	-	13,646	120	-	-
	<u>2,187</u>	<u>163,184</u>	<u>47,173</u>	<u>-</u>	<u>145,293</u>	<u>37,768</u>	<u>120</u>	<u>-</u>	<u>45,521</u>

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

14 RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the period were as follows:

	<i>1 January 2021 to 30 June 2021 AED'000</i>	<i>1 January 2020 to 30 June 2020 AED'000</i>
Short term benefits	7,332	7,014
End of service benefits	480	404
	<u>7,812</u>	<u>7,418</u>

As at 30 June 2021, the number of key management personnel was 11 (30 June 2020: 15).

The shareholders of the Company approved a bonus to the members of the Board of Directors for the year 2020 at the Annual General Meeting of the Company held on 04 May 2021.

15 BANK BALANCES AND CASH

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Cash in hand	3,563	205
Bank balances:		
Current and call accounts	199,844	248,744
Deposits maturing within three months	1,435,000	310,000
	<u>1,638,407</u>	<u>558,949</u>

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for a period of less than three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Impairment on cash and cash equivalents have been measured on a 12 month expected loss basis and reflects the short maturities of the exposures. The Group considers that its balances with banks have low credit risk based on the external credit ratings of the counter parties and hence no credit losses are required to be recognized as at the reporting date.

Included in the bank balances and cash is an amount of AED 535,702 thousands (31 December 2020: AED 2,187 thousands) as balance held with related party [note 14(b)].

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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16 SHARE CAPITAL

	30 June 2021 AED'000	31 December 2020 AED'000 (Audited)
Authorised capital – 13,014,300,000 shares of AED 1 each (2020: 13,014,300,000 shares of AED 1 each)	13,014,300	13,014,300
Issued and fully paid – 13,014,300,000 shares of AED 1 each (2020: 13,014,300,000 shares of AED 1 each)	13,014,300	13,014,300

17 RESERVES

Movement in reserves is as follows:

	Statutory reserve AED'000	Legal reserve AED'000	Total AED'000
1 January 2021 to 30 June 2021:			
As at 1 January 2021 (Audited) and 30 June 2021 (Unaudited)	1,218,770	1,124,784	2,343,554
1 January 2020 to 30 June 2020:			
As at 1 January 2020 (Audited) and 30 June 2020 (Unaudited)	1,148,409	1,054,423	2,202,832

As required by the UAE Federal Commercial Companies Law No. (2) of 2015 and the Article number 57 of the Company's Article of Association, 10% of the net profit for the year shall be transferred to legal reserve until it reaches 50% of the share capital. Further, 10% of the net profit for the year shall be transferred to statutory reserve until it reaches 50% of the paid-up share capital. These reserves are not available for distribution except in the circumstances stipulated by the law.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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18 INTEREST BEARING LOANS AND BORROWINGS

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Interest bearing loans and borrowings	7,346	7,346
Less: unamortised portion of loan arrangement fee	(1,893)	(3,796)
Net interest bearing loans and borrowings	<u>5,453</u>	<u>3,550</u>
Movement for the period/year is as follows:		
Balance as at 1 January	7,346	789,695
Less: Repaid during the period/year	-	(2,618,849)
Add: Borrowed during the period/year	-	1,836,500
Balance as at period/ year end	<u>7,346</u>	<u>7,346</u>

The Group has availed Revolving Islamic Finance facility of USD 2 billion (AED 7,346,000 thousands) from the commercial banks in the UAE. The facility is unsecured and carries profit rate at 3 months LIBOR + 1.25% pa.

19 SUKUK

EMG Sukuk Limited (the "Issuer"), a limited liability company registered in the Cayman Islands and a wholly-owned subsidiary of the Group, has issued trust certificates (the "Sukuk") amounting to USD 750,000 thousands (AED 2,754,750 thousands) on 18 June 2014. The Sukuk is listed on NASDAQ Dubai and is due for repayment in 2024. The Sukuk carries a profit distribution rate of 4.564% per annum to be paid semi-annually. The carrying value of the Sukuk is as follows:

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Proceeds from the issuance of the Sukuk	2,754,750	2,754,750
Less: Sukuk issuance cost	(21,587)	(21,587)
Sukuk liability on initial recognition	2,733,163	2,733,163
Amortisation of issuance cost	14,116	12,955
Sukuk liability as at period / year-end	<u>2,747,279</u>	<u>2,746,118</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

20 ACCOUNTS PAYABLE AND ACCRUALS

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Trade payables	407,707	224,516
Accrued expenses	954,785	950,859
Interest payable	5,396	5,478
Other payables	114,795	53,357
	<u>1,482,683</u>	<u>1,234,210</u>

Included in the trade payables is an amount of AED 102 thousands (31 December 2020: AED 120 thousands) due to related parties [note 14(b)].

21 COMMITMENTS AND CONTINGENCIES**Commitments**

At 30 June 2021, the Group had commitments of AED 316,343 thousands (31 December 2020: AED 417,707 thousands) which includes project commitments of AED 294,831 thousands (31 December 2020: AED 404,513 thousands). This represents the value of contracts issued as at reporting date net of invoices received and accruals made as at that date.

Operating lease commitments - Group as lessor

The Group leases out its property under operating leases as a lessor. The future minimum lease payments receivable (base rent) under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Within one year	2,396,837	1,792,918
After one year but not more than five years	4,170,011	4,297,220
More than five years	681,582	810,333
	<u>7,248,430</u>	<u>6,900,471</u>

In addition to the base rent, the Group also charges annual service charges to its tenants. The total amount of service charges for the period ended 30 June 2021 was AED 171,400 thousands (period ended 30 June 2020: AED 120,012 thousands).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2021 (Unaudited)

21 COMMITMENTS AND CONTINGENCIES (continued)**Operating lease commitments - Group as lessee**

The Group has obtained certain properties under operating lease as a lessee. The maturity analysis of the undiscounted contractual cash flows is as follows:

	<i>30 June 2021 AED'000</i>	<i>31 December 2020 AED'000 (Audited)</i>
Within one year	124,896	49,204
After one year but not more than five years	515,616	228,654
More than five years	1,162,759	517,507
	1,803,271	795,365

Legal claims

As at 30 June 2021, legal proceedings are in progress against certain tenants to recover outstanding rents amounting to AED 28,866 thousands (31 December 2020: AED 34,694 thousands). Based on the advice of legal advisors, outcome of these claims will have no material adverse impact on the interim condensed consolidated financial statements of the Group.

22 COMPARATIVE INFORMATION

During the current period, the following figures have been reclassified/ regrouped and accordingly, in order to conform the current period presentation, the comparative figures have been reclassified/ regrouped. The regrouping does not affect the previously reported net profit, net assets, total equity and the statement of comprehensive income:

	<i>As previously reported AED'000</i>	<i>Reclassification AED'000</i>	<i>Reclassified AED'000</i>
Six months period ended 30 June 2020:			
Online retail revenue	663,630	3,122	666,752
Cost of online retail revenue	525,489	(120,184)	405,305
Sales and marketing expenses	129,634	128,350	257,984
General and administrative expenses	176,876	(5,044)	171,832
Three months period ended 30 June 2020:			
Online retail revenue	405,861	3,121	408,982
Cost of online retail revenue	316,731	(74,944)	241,787
Sales and marketing expenses	69,615	86,763	156,378
General and administrative expenses	73,037	(8,698)	64,339

The above mainly include reclassification of cost of delivery from cost of online retail revenue to sales and marketing expenses.