Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

Emaar Properties PJSC and its Subsidiaries

Consolidated Financial Statements
For the year ended 31 December 2021

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DIRECTORS' REPORT

The Board of Directors of Emaar Properties PJSC (the "Company") has pleasure in submitting the consolidated statement of financial position of the Company and its Subsidiaries (the "Group") as at 31 December 2021 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2021.

Principal activities

The principal activities of the Group during the year ended 31 December 2021 were property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investment in providers of financial services.

Financial results

The Group has recorded a net profit attributable to the owners of the Company of AED 3,800 million for the year ended 31 December 2021.

In accordance with the Articles of Association of the Company and applicable UAE Federal Law, an appropriation of AED 380 million is made to a general reserve from the distributable profit of AED 3,800 million.

The transfer of profit to statutory reserve has been suspended as the reserve has reached 50% of the paid-up share capital. However, during the year, in compliance applicable UAE Federal Law, AED 2,098 million, net has been credited to statutory reserve, being the excess of fair value of the Company's shares over the nominal value per share issued to non-controlling interest on merger of Emaar Malls PJSC with the Company.

The Board of Directors of the Company has proposed a cash dividend of 15%, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit after considering appropriation to general reserve and proposed dividend (subject to approval of the shareholders at the Annual General Meeting) will be transferred to retained earnings. Total equity attributable to owners of the Company as at 31 December 2021 amount to AED 61,693 million prior to proposed dividend.

Outlook for 2022

Underlying the robust performance in 2021, through proactive responses to challenging business environment, Emaar achieved highest ever property sales of AED 33,762 million (including joint ventures and development agreements) in 2021. This is a testament of customers' trust in Emaar's brand and in the people driving the Group's innovation and quality. Led by significant property sales, Emaar now has a significant revenue backlog of over AED 46,057 million (including joint ventures and development agreements) to be recognised as revenue over the coming years.

Outlook for 2022 (continued)

The Group is optimistic for 2022 and continuously focusses on real estate development and handover of real estate units at the highest quality and on a timely basis. The Group's significant revenue backlog from real estate sale together with its recurring revenue streams continue to provide significant stability of revenue for the coming years. The Group's strategy for 2022 is to further increase the share of revenues from global operations and enhance the proportion of profit from recurring revenue streams, including shopping malls and online retail, hospitality and entertainment. Digital transformation and product innovation coupled with enhancing market reach have set the platform for future growth and long-term value creation for shareholders.

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 32. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

Mr. Jamal Bin Theniyah	(Chairman)
Mr. Ahmed Jawa	(Vice Chairman)
Mr. Mohamed Ali Alabbar	(Managing Director)
Mr. Ahmad Al Matrooshi	(Executive Director)
Mr. Jassim Al Ali	(Director)
H.E. Eng. Sultan Al Mansoori	(Director)
Mr. Helal Al Marri	(Director)
Mr. Buti Al Mulla	(Director)
Ms. Eman Abdulrazzaq	(Director)

Auditors

KPMG were appointed as external auditors of the Group for the year ended 31 December 2021. The Board of Directors has recommended KPMG as the auditors for 2022 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Jamal Bin Theniyah
Chairman
Dubai, United Arab Emirates
17 March 2022

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Independent auditors' report

To the Shareholders of Emaar Properties PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emaar Properties PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated income statement, consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on sale of properties and lease rental income

Refer to notes 2.2, 2.4 and 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognizes revenue on sale of properties in accordance with IFRS 15 "Revenue from Contracts with Customers" and Lease income in accordance with IFRS 16 "Leases". The Group recognises revenue on sale of properties either at point in time or over time depending on the terms of contracts with customers and the relevant laws and regulations of the jurisdiction in which it has entered into the contract with its customers. Revenue recognition on sale of properties was considered a key audit matter due to following key elements of judgement and estimation involved that warrant additional audit focus: • the analysis of whether the contracts comprise one or more performance obligations; • determining whether the performance obligations are satisfied over time or at a point in time; • estimation of total costs required to meet performance obligations under the contracts with customers and for performance obligations satisfied over time, recognize proportionate revenue to the extent of satisfaction of performance obligation; and • evaluating the probability that the Group will collect the entitled consideration under the contracts with customers. During the current year, there has been a change in the timing of revenue recognition for sale of properties by Emaar Misr for Development SAE (a subsidiary of the Company), which has been accounted for retrospectively and hence resulted in restatement of comparative financial information.	• We assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with International Financial Reporting Standards ("IFRS"). • We evaluated management assessment and whether the requirements of IAS 8 have been appropriately considered with respect to restatement of comparative financial information as disclosed in note 2.4. • Obtained understanding of the revenue process implemented by the Group; • We have performed test of design and implementation of relevant controls; • On a sample basis, we assessed the contracts for sale of properties to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under IFRS 15; • On a sample basis, we assessed the appropriateness of percentage of completion of the construction of properties by reference to costs incurred to date compared to the estimated total costs where the performance obligation is satisfied over time; • On a sample basis, we assessed the adequacy of the total estimated cost to complete through the management appointed external cost consultant's report, supporting agreements and other relevant information. For costs incurred to date, we have tested on a sample basis, significant items of cost components by comparing these to the relevant supporting documents including payment certificates to ascertain the existence and accuracy of the costs of work done;

Revenue recognition on sale of properties and lease rental income (continued)	
Refer to notes 2.2, 2.4 and 5 to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
Rental income from leased properties is recognised in accordance with the terms of the lease agreed with the tenants on a straight-line basis from the lease commencement date over the period of the lease. The lease agreements may include certain clauses relating to (i) lease income computed based on lessee turnover; and (ii) tenant incentives which may affect the amount of rental income recognized during the year. The COVID 19 pandemic ("the pandemic") has increased the level of uncertainty in relation to some of the tenants' ability and intent to comply with the terms of the lease agreement. Considering the inherent risks around the existence and accuracy of the rental income recognised given the uncertainty caused by the pandemic, rental income from leased properties is a matter that warrants additional audit focus.	• On a sample basis, we tested lease agreements to ensure the existence and accuracy of the revenue recognised during the year and it's compliance with International Financial Reporting Standards; • We assessed the reasonableness of the estimates and assumptions made by management in relation to the collectability of the rental income recognized during the year; and • We assessed the adequacy of the Group's disclosure in relation to the requirements of IFRS 15 and IFRS 16.

Assessment of net realisable value and recoverable amount ("the value") of development properties and investment properties ("the properties") respectively

Refer to notes 2.2, 2.4,12 and 17 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group holds development properties both for completed projects and projects under construction and investment properties (collectively referred to as "the properties"). Determining the value of these properties is a significant judgement area and is underpinned by a number of assumptions. Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Investment properties are measured at cost less accumulated depreciation and impairment if any. The Group engages professionally qualified external valuers to assess the value of substantial portion of its properties. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The external valuers report contains material uncertainty clauses due to the market disruption caused by the COVID-19 pandemic, which is consistent with the guidance issued by RICS Valuation Global Standards. These clauses do not invalidate the valuation nor does it indicate that the valuation cannot be relied upon, but implies that there is substantially more uncertainty in relation to assessing the value of the Group's properties than under normal market conditions. Assessment of the value requires management to make significant estimates and judgements. This coupled with existence of material estimation uncertainty, warrants specific audit focus in this area as any error in determining the value could have a material impact on the carrying value of the Group's properties in the consolidated financial statements.	• We evaluated the qualifications and competence of the external valuers and read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; • We involved our real estate valuation specialist, who on a sample basis, reviewed valuation methodologies used in the valuation process and challenged assumptions for key estimates of sales price, cost to complete, market rent, future rental income, operating costs, occupancy rate, discount rates, capitalization and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors; • On a sample basis, performed audit procedures to assess whether the source data used for determining the value are reasonable by comparing it to the underlying supporting information; • Performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by management; and • We assessed the adequacy of the disclosure in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained Directors' Report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of the auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (2) of 2015 (as amended), we report that for the year ended 31 December 2021:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended);

iii) the Group has maintained proper books of accounts;

iv) the financial information included in the Directors' report is consistent with the books of accounts of the Group;

v) as disclosed in notes 2.1, 4, 13 and 15 to the consolidated financial statement, the Group has purchased shares during the year ended 31 December 2021;

vi) note 32 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 (as amended) or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2021; and

viii) note 6 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2021.

KPMG Lower Gulf Limited

Emilio Pera
Registration No.: 1146
Dubai, United Arab Emirates
Date: 17 March 2022

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000 (Restated)*
		(US$ 1.00 = AED 3.673)	
Revenue	5	**28,269,645**	17,959,478
Cost of revenue	5	**(16,518,493)**	(11,426,812)
GROSS PROFIT		**11,751,152**	6,532,666
Other operating income		**393,612**	266,664
Other operating expenses		**(141,741)**	(101,311)
Selling, general and administrative expenses	6	**(4,072,052)**	(3,529,258)
Depreciation of property, plant and equipment	16	**(657,824)**	(665,679)
Depreciation of investment properties	17	**(624,623)**	(592,857)
Finance income	7(a)	**430,057**	484,630
Finance costs	7(b)	**(1,295,102)**	(1,095,717)
Other income	4(a)(iii)	**216,366**	2,447,391
Share of results of associates and joint ventures	15	**314,567**	(581,736)
Impairment	2.2	**(190,669)**	(550,950)
PROFIT BEFORE TAX		**6,123,743**	2,613,843
Income tax (expenses) / credit	8	**(407,164)**	192,498
PROFIT FOR THE YEAR		**5,716,579**	2,806,341
ATTRIBUTABLE TO:			
Owners of the Company		**3,800,110**	2,109,200
Non-controlling interests		**1,916,469**	697,141
		5,716,579	2,806,341
Earnings per share attributable to the owners of the Company:			
- basic and diluted earnings per share (AED)	28	**0.52**	0.29

* 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 36 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	(US$ 1.00 = AED 3.673)	
	2021	*2020*
	AED'000	*AED'000*
		*(Restated)**
Profit for the year	**5,716,579**	2,806,341
Other comprehensive income /(loss) items to be reclassified to income statement in subsequent periods:		
Decrease in unrealised gains/ (losses) reserve	**(10,488)**	(17,783)
Increase / (decrease) in foreign currency translation reserve	**3,404**	(42,400)
Net other comprehensive income/(loss) items to be reclassified to income statement in subsequent periods	**(7,084)**	(60,183)
Other comprehensive income /(loss) items not to be reclassified to income statement in subsequent periods:		
Increase / (decrease) in unrealised gains / (losses) reserve	**21,877**	(32,060)
Realised gain on fair value movement through other comprehensive income	**17,374**	-
Net other comprehensive income / (loss) items not to be reclassified to income statement in subsequent periods	**39,251**	(32,060)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**5,748,746**	2,714,098
ATTRIBUTABLE TO:		
Owners of the Company	**3,845,625**	2,044,565
Non-controlling interests	**1,903,121**	669,533
	5,748,746	2,714,098

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

(US$ 1.00 = AED 3.673)

	Notes	31 December 2021 AED'000	31 December 2020 AED'000 (Restated)*	1 January 2020 AED'000 (Restated)*
ASSETS				
Bank balances and cash	9	**8,657,529**	6,270,731	6,795,737
Trade and unbilled receivables	10	**16,633,888**	11,246,564	10,316,058
Other assets, receivables, deposits and prepayments	11	**14,188,035**	16,029,719	15,498,526
Development properties	12	**37,740,746**	40,932,919	41,704,003
Assets classified as held for sale		**-**	-	669,290
Investments in securities	13	**3,273,128**	2,924,658	2,861,795
Loans to associates and joint ventures	14	**1,102,196**	1,096,631	980,719
Investments in associates and joint ventures	15	**5,074,649**	4,854,060	4,922,904
Property, plant and equipment	16	**10,625,210**	10,278,470	10,900,437
Investment properties	17	**22,742,900**	22,318,549	21,905,268
Intangible assets	18	**744,566**	755,472	766,671
Right-of-use assets	19	**1,066,681**	1,268,823	823,348
TOTAL ASSETS		**121,849,528**	117,976,596	118,144,756
LIABILITIES AND EQUITY				
LIABILITIES				
Trade and other payables	20	**18,572,086**	17,426,706	16,876,066
Advances from customers	21	**13,791,499**	11,689,423	12,202,962
Liabilities directly associated with assets classified as held for sale		**-**	-	159,669
Retentions payable	22	**1,497,121**	1,647,548	1,576,716
Deferred income tax payable	8	**1,035,934**	1,103,003	1,339,538
Interest-bearing loans and borrowings	23	**9,416,883**	14,034,948	15,785,537
Sukuk	24	**9,162,940**	7,325,855	7,316,364
Provision for employees' end-of-service benefits	25	**177,561**	167,211	176,929
TOTAL LIABILITIES		**53,654,024**	53,394,694	55,433,781
EQUITY				
Equity attributable to owners of the Company				
Share capital	26	**8,179,739**	7,159,739	7,159,739
Employees' performance share program		**(1,684)**	(1,684)	(1,684)
Reserves	27	**20,046,605**	17,540,597	17,553,915
Retained earnings		**33,468,571**	30,819,098	28,737,124
		61,693,231	55,517,750	53,449,094
Non-controlling interests		**6,502,273**	9,064,152	9,261,881
TOTAL EQUITY		**68,195,504**	64,581,902	62,710,975
TOTAL LIABILITIES AND EQUITY		**121,849,528**	117,976,596	118,144,756

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for, year ended 31 December 2021.

The 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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(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	**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 as 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 year							
Net profit for the year	-	-	**-**	**3,800,110**	**3,800,110**	**1,916,469**	**5,716,579**
Other comprehensive income for the year	-	**-**	**28,141**	**17,374**	**45,515**	**(13,348)**	**32,167**
Total comprehensive income for the year	**-**	**-**	**28,141**	**3,817,484**	**3,845,625**	**1,903,121**	**5,748,746**
Directors' bonus (note 32)	**-**	**-**	**-**	**(9,329)**	**(9,329)**	**-**	**(9,329)**
Dividend paid to shareholders (note 31)	**-**	**-**	**-**	**(715,974)**	**(715,974)**	**-**	**(715,974)**
Dividend and directors' bonus of subsidiaries	-	**-**	**-**	**(6,864)**	**(6,864)**	**(1,314,461)**	**(1,321,325)**
Transfer to reserves (note 27)	**-**	**-**	**380,011**	**(380,011)**	**-**	**-**	**-**
Acquisition of non-controlling interest (note 2.1, 26 and 27)	**1,020,000**	**-**	**2,097,856**	**-**	**3,117,856**	**(3,150,539)**	**(32,683)**
Other movement	**-**	**-**	**-**	**(55,833)**	**(55,833)**	**-**	**(55,833)**
Balance as at 31 December 2021	**8,179,739**	**(1,684)**	**20,046,605**	**33,468,571**	**61,693,231**	**6,502,273**	**68,195,504**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2021

(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	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
Total comprehensive income for the year							
Net profit for the year *(Restated)*	-	-	-	2,109,200	2,109,200	697,141	2,806,341
Other comprehensive income for the year *(Restated)*	-	-	(64,635)	-	(64,635)	(27,608)	(92,243)
Total comprehensive income for the year	-	-	(64,635)	2,109,200	2,044,565	669,533	2,714,098
Directors' bonus (note 32)	-	-	-	(7,350)	(7,350)	-	(7,350)
Dividend and directors' bonus of subsidiaries	-	-	-	(7,771)	(7,771)	(906,679)	(914,450)
Transfer to reserves (note 27)	-	-	261,700	(261,700)	-	-	-
Acquisition of non-controlling interest (note 4(a))	-	-	(1,031)	(98,401)	(99,432)	88,497	(10,935)
Acquisition of additional stake in a subsidiary (note 4(b))	-	-	(209,352)	347,996	138,644	(138,644)	-
Contribution made during the year (note 16)	-	-	-	-	-	89,564	89,564
Balance as at 31 December 2020 *(Restated)*	7,159,739	(1,684)	17,540,597	30,819,098	55,517,750	9,064,152	64,581,902

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000 (Restated)*
		(US$ 1.00 = AED 3.673)	
Cash flows from operating activities			
Profit before tax		**6,123,743**	2,613,843
Adjustments for:			
Share of results of associates and joint ventures	15	**(314,567)**	581,736
Depreciation	16,17,19	**1,408,680**	1,432,340
Amortisation of intangible assets	18	**10,906**	11,199
Provision for end-of-service benefits, net		**10,350**	(8,976)
Loss / (gain) on disposal of property, plant and equipment		**642**	(50,219)
Gain on disposal of assets classified as held for sale		-	(2,252,238)
(Gain) / loss on disposal of investment properties		**(90,292)**	202
Finance costs	7(b)	**1,295,102**	1,095,717
Finance income	7(a)	**(430,057)**	(484,630)
Provision for doubtful receivables and advances	6	**962,292**	381,886
Provision for impairment and write down	2.2	**667,663**	1,213,789
Cash from operations before working capital changes:		**9,644,462**	4,534,649
Working capital changes:			
Trade and unbilled receivables		**(5,586,244)**	(1,264,136)
Other assets, receivables, deposits and prepayments		**513,103**	(279,273)
Development properties		**4,389,438**	87,071
Advances from customers		**2,102,076**	(513,539)
Trade and other payables		**(322,041)**	(232,425)
Retentions payable		**(150,427)**	70,832
Assets and liabilities held for sale, net		**-**	(247,253)
Income tax, net		**169,028**	(18,495)
Net cash flows from operating activities		**10,759,395**	2,137,431
Cash flows from investing activities			
Purchase of securities and deposits	13	**(3,793,556)**	(7,702,940)
Proceeds from disposal of securities		**3,498,323**	7,643,970
Finance income received		**426,177**	488,884
Dividends received from associates and joint ventures	15	**94,311**	85,322
Additional investments in and loans to associates and joint ventures		**(65,039)**	(122,449)
Advance against investments		**(199,413)**	(316,527)
Amounts incurred on investment properties	17	**(1,157,185)**	(1,407,599)
Proceeds from disposal of investment properties		**97,638**	-
Proceeds from sale of assets held for sale		**-**	3,229,947
Amounts incurred on property, plant and equipment		**(1,311,727)**	(748,540)
Proceeds from disposal of property, plant and equipment		**19,565**	93,779
Deposits maturing after three months (including deposits under lien)	9	**(395,516)**	(247,080)
Net cash flows (used in) / from investing activities		**(2,786,422)**	996,767

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the year ended 31 December 2021

	Notes	2021 AED'000	2020 AED'000 (Restated)*
		(US$ 1.00 = AED 3.673)	
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	23	**5,505,513**	7,466,349
Repayment of interest-bearing loans and borrowings	23	**(10,303,875)**	(7,846,325)
Dividends paid (including dividends of subsidiaries paid to non-controlling interests)		**(2,028,974)**	(905,000)
Finance costs paid		**(988,927)**	(1,020,477)
Directors' bonus paid (including Directors' bonus of subsidiaries)		**(17,654)**	(16,800)
Proceeds from issuance of Sukuk	24	**1,836,500**	-
Payment of lease liabilities	19	**(153,688)**	(210,704)
Net cash flows used in financing activities		**(6,151,105)**	(2,532,957)
Increase in cash and cash equivalents		**1,821,868**	601,241
Net foreign exchange difference		**(3,302)**	4,303
Cash and cash equivalents at the beginning of the year		**5,763,988**	5,158,444
Cash and cash equivalents at the end of the year	9	**7,582,554**	5,763,988

* 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 36 form an integral part of these consolidated financial statements.

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 consolidated financial statements were authorized for issue on 17 March 2022.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of the UAE Federal Law No. (2) of 2015.

On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015. The Company has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. (32) of 2021. The Company is currently assessing the impact of the new law and expects to be fully compliant on or before due date.

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments, financial assets at fair value through other comprehensive income ("FVOCI") and profit or loss ("FVTPL") 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 to conform to the presentation used in these consolidated financial statements.

Basis of consolidation

The 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 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 for the same reporting period as the Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's 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 consolidated income statement; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated income statement or retained earnings, as appropriate.

Details of the Company's significant subsidiaries as at 31 December 2021 are as follows:

Subsidiary	Place of incorporation	Principal activities	Percentage of effective interest
Emaar Hospitality Group LLC	UAE	Providing hospitality services	100.00%
Emaar Properties Gayrimenkul Gelistirme Anonim Sirketi	Republic of Turkey ("Turkey")	Property investment and development	100.00%
Emaar Libadiye Gayrimenkul Gelistirme A.S.	Republic of Turkey ("Turkey")	Property investment and development, development of retail, shopping malls and hospitality assets	100.00%
Emaar Entertainment LLC	UAE	Leisure and entertainment activities	100.00%
Emaar Hotels & Resorts Group	UAE	Providing hospitality services	100.00%
Emaar Misr for Development SAE and its subsidiaries	Arab Republic of Egypt ("Egypt")	Property investment and development	88.74%
Dubai Hills Retail LLC	UAE	Property development and management of leasing	50.00%
Emaar Malls Management LLC and its subsidiaries (refer note below)	UAE	Retail development and management of shopping malls	100.00%
Emaar Development PJSC and its subsidiaries	UAE	Property development and development management	80.00%
Emaar Middle East LLC	Kingdom of Saudi Arabia ("KSA")	Property investment and development	100.00%
Emaar India Limited and its subsidiaries	India	Property investment and development	77.01%

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

During the current year, the respective shareholders of the Company and Emaar Malls PJSC ("Emaar Malls") in their respective general meetings held on 10 October 2021 have approved, by way of special resolution, merger of Emaar Malls with the Company through issuance and allotment of 0.51 new shares in the Company for every one share held by shareholders having non-controlling interests ("NCI") in Emaar Malls (the "Merger scheme"). On 22 November 2021, after the required approvals obtained from the authorities, the Company issued 1,020,000,000 new shares of the Company to the NCI shareholders of Emaar Malls, subsequently, the assets, rights, liabilities and business of Emaar Malls have been transferred to Emaar Malls Management LLC, a wholly owned subsidiary of the Company.

Following table represents the impact in equity attributable to owners of the Company on merger of Emaar Malls with the Company:

	22 November 2021 AED'000
Carrying value of NCI acquired	3,150,539
Value of new shares issued	5,232,600
Decrease in equity attributable to owners of the Company	2,082,061

The aforesaid decrease of AED 2,082,061 thousands along with associated transaction costs is offset against premium on new shares issued, resulting in net increase in equity attributable to the owners of the Company of AED 3,117,856 thousands. Also refer notes 26, 27 and 28.

Associates and joint ventures
Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies even if the shareholding is 50% or more. 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 even if the shareholding is 50% or more.

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 consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associate and joint venture companies, less any impairment in value.

The consolidated income statement reflects the Group's share of results of its associates and joint ventures. Unrealised gains resulting from transactions between the Group and its associates and 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 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 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.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments

The key judgments and estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

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.

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.

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*.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)
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.

Valuation of investment properties
The Group hires the services of third party professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the consolidated financial statements.

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.

Estimations and assumptions

Impairment of trade, unbilled receivables and other receivables
An estimate of the collectible amount of trade, unbilled 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.

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.

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.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Taxes (continued)
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.

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 year, on account of significant uncertainty over recoverability of the Group’s investment in certain non-financial assets, management has recorded a provision for impairment on property, plant and equipment and right-of-use assets of AED 191 million (refer note 16 and 19). The estimate of value in use for the recoverable amount was determined using a pre-tax discount rate of 7.5% to 10% and a terminal value growth rate of 7.5%. Further, during the year, the Group has written down development properties of AED 477 million based on its expected realisable value (refer note 5 and 12).

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.

Impact of Covid-19
In January 2020, the World Health Organization (“WHO”) announced a global health emergency because of coronavirus (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 had resulted in global travel restrictions and lockdown in most countries of the world impacting jurisdictions and segments in which the Group operates.

In 2020, the COVID-19 Outbreak had impacted the Group across its segments (real estate, retail and hospitality) which was reflected in its financial results. As a result, the Group undertook 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 started to witness 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. During 2021, there has been a significant improvement in operating results of the Group across key segments and geographies of the Group as the impact of pandemic started to ease in geographies where the Group operates. The economic situation remains fluid globally and will be determined by factors that continue to evolve, such as availability of vaccines, resurgence of variants, success of support measures introduced by governments, the ability of businesses to manage their operations during these times and the effectiveness of public policies intended to contain the spread. The Group’s management continues to evaluate current situation including pricing strategy and cost optimization initiatives.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

The management's 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 the impairment assessments carried out by the management in 2020, the recoverable amount of an investment property in one of the international segments with a carrying value of AED 3,986 million was deemed to be AED 3,582 million and accordingly an impairment charge of AED 404 million was been recognized in 2020. The estimate of value in use for the recoverable amount was determined using a pre-tax discount rate of 17% and a terminal value growth rate of 7%. Also refer note 17.

b) Impairment assessment of plant and equipment
The Group's hospitality segment was impacted due to temporary closure during the year ended 31 December 2020 and from low occupancy levels, resulting from steps taken by governments to contain the COVID-19 outbreak. The key area of assessment included estimates on the impact of future cash inflows due to reduced occupancy and the discount rates, reflecting continued uncertainty. Based on impairment assessments carried out by the management, the recoverable amount of an under development hotel in one of the international segments with an estimated cost to complete value of AED 681 million was AED 534 million and accordingly an impairment charge of AED 147 million was recognized in 2020. The estimate of value in use for the recoverable amount was determined using a pre-tax discount rate of 8% and a terminal value growth rate of 7%. Also refer note 16.

c) Net realisable value assessment of development properties
The Group's real estate businesses has continued to deliver on projects in key geographies, barring 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 633 million was recorded on certain assets during 2020. Also refer note 12.

d) Rental income and incentives from the leasing and retail segment
As the impact of the pandemic evolved, the government imposed strict measures to contain the virus that resulted in temporary lower footfall of the malls, specifically in UAE, during 2020 with footfall levels picking up during 2021 as restriction eases. As part of Group's commitment to extend support to its tenants during COVID-19 pandemic, the Group offered voluntary arrangements of rent reliefs to its tenants mainly in the previous year, which are accounted for in accordance with the requirements of IFRS 16 "*Leases*".

In addition, COVID-19 pandemic resulted in heightened uncertainty over collectability of trade receivables. The management considers that it is more appropriate to 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
To ensure continued resilience, the Group continues to update its financing plans and liquidity optimization processes to meet its funding requirements for the foreseeable future. The Group profit before tax is 134% higher than 2020, when the operations were adversely impacted due to Covid 19. As at 31 December 2021, liquidity position with the Group's 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. The Group continues to maintain sufficient headroom on its financial covenants and approximately two-third of its loans and borrowings, including Sukuk, are due after 31 December 2022.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Impact of Covid-19 (continued)

f) External valuers report to assess impairment on non-financial assets and net realizable value of development properties

As at 31 December 2021 valuations performed by certain external valuers continue to state a clause over material valuation uncertainty due to the market disruption caused by the COVID-19 pandemic, which is consistent with the guidance issued by RICS Valuation Global Standards. Consequently, as a result, less certainty and a higher degree of caution should be attached to valuations performed by external valuers. Albeit, this clause does not invalidate the valuation nor does it indicate that the valuation cannot be relied upon, 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. Also refer notes 12, 16 and 17.

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 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 2021, except for the adoption of new standards and interpretations effective as of 1 January 2021. 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 of the Group or the consolidated financial statements of the Group except as mentioned below. The nature and the impact of each new standard or amendment is described below:

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

(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)
- **Amendments to IAS 1 and IFRS Practice Statement** - Disclosure of Accounting Policies
- **Amendments to IAS 12** - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 *Revenue from contracts with customers*:

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

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

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

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

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

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

Revenue is recognised in the 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.

Lease to buy scheme
Sales under the lease to buy scheme are accounted for as follows:
- Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase;
- When the lessee exercises its option to purchase, a sale is recognised in accordance with the revenue recognition policy for sale of property as stated above; and
- When recognising the sale, revenue is the amount payable by the lessee at the time of exercising the option to acquire the property.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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.

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 retrospectively and restated the comparative balances. Further, certain comparative amounts have also been reclassified to conform to the presentation used in these consolidated financial statement. The consolidated financial statements have been restated as summarised below:

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in timing of revenue recognition and reclassification (continued)

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

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 year ended 31 December 2020:			
Revenue	19,710,456	(1,750,978)	17,959,478
Cost of revenue	(12,710,163)	1,283,351	(11,426,812)
Selling, general and administrative expenses	(3,327,644)	(201,614)	(3,529,258)
Other income	2,457,185	(9,794)	2,447,391
Income tax credit	91,198	101,300	192,498
Profit for the year	3,384,076	(577,735)	2,806,341
ATTRIBUTABLE TO:			
Owners of the Company	2,616,999	(507,799)	2,109,200
Non-controlling interests	767,077	(69,936)	697,141
Decrease in foreign currency translation reserve	(24,090)	(18,310)	(42,400)
Earnings per share attributable to the owners of the Company:			
- basic and diluted earnings per share (AED)	0.37	(0.08)	0.29

There is no material impact on the Group's total operating, investing or financing cash flows for the year ended 31 December 2020.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property , which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any equity-accounted investee is no longer equity accounted.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in the consolidated income statement in the year in which they are incurred.

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.

Income tax

Taxation is provided in accordance with the relevant fiscal regulations of the countries in which the Group operates.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior years.

Income tax relating to items recognised directly in other comprehensive income or equity is recognised directly in other comprehensive income or equity and not in the consolidated income statement.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted as at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates that have been enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 centres (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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 up to 35 years. Right-of-use assets are subject to impairment.

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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

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 consolidated income statement when the asset is derecognised.

Development properties

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the consolidated 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.

Investment in associates and joint ventures

The consolidated income statement reflects the Group's share of the results of operations of its associates and joint ventures after tax and non-controlling in the subsidiaries of the associate. Where there has been a change recognised directly in the other comprehensive income or equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the interest in the associate or joint venture.

The financial statement of the associates and joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture, and its carrying value and recognises the impairment losses in the consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in associates and joint ventures (continued)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

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 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 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).

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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Fair value hedges (continued)
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 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.

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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

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'.

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 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 to classify irrevocably 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 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 consolidated income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the consolidated income statement and other comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

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.

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)

Financial assets (continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) 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 or CGU. 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 consolidated income statement in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated 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%.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Loans and borrowings
Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

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. Any directly attributable transaction costs are allocated to the liability component.

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. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated income statement.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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 (except if related to issue of debt or equity).

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 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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 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.

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 consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

End-of-service benefits

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its eligible UAE and GCC national employees, the Group makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions

Employees (including senior executives) of the Group also receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity settled transactions"). The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which the awards are granted. The cost of equity settled transactions with employees is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled ending on the date on which the employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the consolidated income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Under the Company's policy, awards, which represent the right to purchase the Company's ordinary shares at par, are allocated to eligible employees (including executive directors) of the Company.

Foreign currency translations

The consolidated financial statements are presented in AED which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated income statement. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AED at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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 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 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 consolidated financial statements.

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, retail 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.

3 SEGMENT INFORMATION (continued)

Business segments

Revenue from sources other than property sales, leasing, retail 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 years ended 31 December 2021 and 2020.

	Real estate AED'000	***Leasing, retail and related activities AED'000***	***Hospitality AED'000***	***Others AED'000***	***Total AED'000***
2021:					
Revenue					
Revenue from external customers					
- Over a period of time	**14,462,040**	**3,702,405**	**608,862**	**-**	**18,773,307**
- Point in time	**6,503,772**	**2,112,822**	**879,744**	**-**	**9,496,338**
	20,965,812	**5,815,227**	**1,488,606**	**-**	**28,269,645**
Results					
Profit before tax before impairment / write down, (a) and (b)	**5,784,663**	**2,357,207**	**361,837**	**722,009**	**9,225,716**
Impairment / write down	**(853,505)**	**(114,158)**	-	-	**(967,663)**
(a) Unallocated selling, general and administrative expenses					**(1,540,266)**
(b) Unallocated finance cost, net					**(594,044)**
Profit before tax for the year					**6,123,743**
Assets and liabilities:					
Segment assets	**85,884,965**	**26,234,315**	**6,403,496**	**3,326,752**	**121,849,528**
Segment liabilities	**45,351,022**	**5,974,464**	**1,912,632**	**415,906**	**53,654,024**
Other segment information					
Capital expenditure (property, plant and equipment, and investment properties)	**764,166**	**1,359,540**	**206,262**	**138,944**	**2,468,912**
Depreciation (property, plant and equipment, investment properties and right-of-use assets)	**319,193**	**794,964**	**238,095**	**56,428**	**1,408,680**

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000 (Restated)*	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
2020:					
Revenue					
Revenue from external customers					
- Over a period of time	9,741,530	2,381,253	288,090	-	12,410,873
- Point in time	3,371,522	1,676,274	500,809	-	5,548,605
	13,113,052	4,057,527	788,899	-	17,959,478
Results					
Profit before tax before impairment / write down, (a) and (b)	1,794,185	1,307,482	47,655	1,943,591	5,092,913
Impairment / write down	(662,839)	(404,030)	(146,920)	-	(1,213,789)
(a) Unallocated selling, general and administrative expenses					(1,020,201)
(b) Unallocated finance cost, net					(245,080)
Profit before tax for the year					2,613,843
Assets and liabilities:					
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
Other segment information					
Capital expenditure (property, plant and equipment, and investment properties)	231,520	1,413,593	431,129	169,461	2,245,703
Depreciation (property, plant and equipment, investment properties and right-of-use assets)	262,823	781,783	310,628	77,106	1,432,340

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

3 SEGMENT INFORMATION (continued)

Geographic segments
The following tables include revenue and certain asset information regarding geographic segments for the years ended 31 December 2021 and 2020.

	Domestic AED'000	***International AED'000***	***Total AED'000***
2021:			
Revenue			
Revenue from external customers			
- Over a period of time	**18,525,124**	**248,183**	**18,773,307**
- Point in time	**3,243,508**	**6,252,830**	**9,496,338**
	21,768,632	**6,501,013**	**28,269,645**
Assets			
Right-of-use assets	**709,782**	**356,899**	**1,066,681**
Investments in associates and joint ventures	**3,186,978**	**1,887,671**	**5,074,649**
Other segment assets	**82,511,257**	**33,196,941**	**115,708,198**
Total assets	**86,408,017**	**35,441,511**	**121,849,528**
Total liabilities	**36,313,356**	**17,340,668**	**53,654,024**
Other segment information			
Capital expenditure			
(property, plant and equipment and investment properties)	**1,542,442**	**926,470**	**2,468,912**

	Domestic AED'000	*International AED'000 (Restated)**	*Total AED'000*
2020:			
Revenue			
Revenue from external customers			
- Over a period of time	12,141,922	268,951	12,410,873
- Point in time	1,541,278	4,007,327	5,548,605
	13,683,200	4,276,278	17,959,478
Assets			
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
Other segment information			
Capital expenditure			
(property, plant and equipment and investment properties)	1,816,730	428,973	2,245,703

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

4 ASSETS HELD FOR SALE AND ACQUISITION OF ADDITIONAL STAKE

(a) Assets held for sales

(i) Emaar Giga Holding Limited

On 12 November 2017, the Group had signed a separation agreement with Giga Group Holding Ltd ("Giga") in respect of Emaar Karachi Limited, formerly known as Emaar Giga Holding Ltd ("EGHL"), a subsidiary formed to develop properties in Pakistan. Based on the separation agreement, Giga would exchange its shareholding in EGHL for certain land held by the Group in Karachi, Pakistan. During 2020, all the conditions precedent for completion of the transfer was fully satisfied and the transfer was affected. The assets and liabilities relating to the EGHL disposal group were previously classified as 'assets held for sale' and 'liabilities associated with assets held for sale'.

During 2020, the Group had acquired remaining equity shares held by Giga in EGHL. The net liabilities associated to the NCI as on the effective date was AED 88,497 thousands and accordingly the resultant impact of the transaction was an increase of AED 88,497 thousands in non-controlling interest and a corresponding decrease in equity attributable to the owners of the Company. Furthermore, as part of this transaction, net assets amounting to AED 23,244 thousands were transferred to the non-controlling shareholder, in return for a consideration of AED 12,309 thousands, resulting in a net loss of AED 10,935 thousand, directly recognised in the consolidated statement of changes in equity for the year ended 31 December 2020 as required under IFRS 10.

The major classes of assets and liabilities of the EGHL disposal group as at the effective date of transfer are as follows:

	29 November 2020 AED'000
Assets	
Development properties	94,188
Bank balances and cash	15,251
	109,439
Liabilities	
Trade and other payables	86,195
Net assets transferred	23,244

There was no significant income recognised in the consolidated income statement or consolidated statement of comprehensive income for the year with respect to this disposal group within the period of disposal.

(ii) Emaar Hospitality Group

During 2020, the Group had sold its interest in ASV Group Limited (ASV) for a consideration of AED 749,600 thousand (includes AED 15,100 thousand relating to working capital minus employee entitlements) and recorded a gain of AED 55,098 thousand (net of transaction cost), which was recognised as other income in the consolidated income statement of 2020.

The Group had also entered into a long-term hotel management agreement to manage the Hotel for an initial period of 20 years. Further, the Group has provided minimum performance guarantees for a specified period to owners of the hotel which it will operate under the hotel management contract.

4 ASSETS HELD FOR SALE AND ACQUISITION OF ADDITIONAL STAKE (continued)

(a) Assets held for sales (continued)

(ii) Emaar Hospitality Group (continued)

The major classes of assets and liabilities of the ASV as at the effective date of transfer were as follows:

	31 December 2020 AED'000
Assets	
Property and equipment	640,640
Trade and unbilled receivable	3,667
Other assets, receivables, deposits and prepayments	45,166
Bank balances and cash	11,892
	701,365
Liabilities	
Employees' end of service benefits	742
Trade and other payables	44,883
	45,625

There was no significant income recognised in the consolidated income statement or consolidated statement of comprehensive income during 2020 with respect to this disposal group within the period of disposal.

(iii) Non-core assets

During 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 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 amounting to AED 349 million). The Group had recognised a gain of AED 2,197 million, as other income in the consolidated income statement of 2020.

The major classes of assets and liabilities of such disposal group as at the effective date were as follows:

	5 April 2020 AED'000
Assets	
Property, plant and equipment	553,043
Other assets, receivables, deposits and prepayments	216,984
	770,027
Liabilities	
Trade and other payables	757,090
Less: Inter Group payable	(720,693)
Total liabilities	36,397
Net assets directly associated with disposal group	733,630

There was no significant income recognised in the consolidated income statement or consolidated statement of comprehensive income during 2020 with respect to these assets within the period of disposal.

4 ASSETS HELD FOR SALE AND ACQUISITION OF ADDITIONAL STAKE (continued)

(b) Acquisition of additional stake

(i) Emaar India Limited

During 2020, Emaar India Limited (Emaar India) had issued additional equity shares through rights issue which had resulted in an increase of ownership interest of the Group in Emaar India to 77.01%. This had resulted in a decrease in the NCI 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 for 2020 in accordance with IFRS 10.

5 REVENUE AND COST OF REVENUE

	2021 *AED'000*	2020 AED'000 (Restated)
Revenue		
Revenue from real-estate		
Sale of residential units	**17,486,556**	11,570,516
Sale of commercial units, plots of land and others	**3,442,152**	1,542,536
Revenue from hospitality	**1,488,606**	788,899
Revenue from leased properties, retail and related income	**5,852,331**	4,057,527
	28,269,645	17,959,478
Cost of revenue		
Cost of revenue from real-estate		
Cost of residential units	**11,971,361**	7,866,853
Cost of commercial units, plots of land and others	**1,621,100**	1,040,220
Write down of development properties (note 2.2 and 12)	**476,994**	662,839
Cost of revenue from hospitality	**771,568**	507,150
Cost of revenue from leased properties, retail and related activities	**1,677,470**	1,349,750
	16,518,493	11,426,812

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2021 *AED'000*	2020 AED'000 (Restated)
Sales and marketing expenses	**1,639,933**	1,218,963
Provision for doubtful debts and advances	**662,292**	381,886
Payroll and related expenses	**525,963**	786,100
Provision for recoverable from NCI (note 11)	**300,000**	-
Property management expenses	**244,494**	312,032
Donations	**23,875**	120,799
Depreciation of right of use assets (note 19)	**126,233**	173,804
Other expenses	**549,262**	535,674
	4,072,052	3,529,258

7(a) FINANCE INCOME

	2021 AED'000	2020 AED'000
Finance income from bank deposits and securities	**284,149**	421,960
Other finance income	**145,908**	62,670
	430,057	484,630

7(b) FINANCE COSTS

	2021 AED'000	2020 AED'000
Finance costs on borrowings	**720,533**	829,424
Other finance costs (i)	**574,569**	266,293
	1,295,102	1,095,717

(i) During the year, the Company has recorded finance cost on discount of long-term recoverable / unwinding of long-term payable amounting to AED 443,017 thousands (2020: AED 136,442 thousands).

8 INCOME TAX

	2021 AED'000	2020 AED'000 (Restated)
Consolidated income statement		
Current income tax expenses	**(305,469)**	(133,082)
Deferred income tax (expenses) / credit	**(101,695)**	325,580
	(407,164)	192,498
Consolidated statement of financial position		
Income tax payable, balance at the beginning of the year	**106,511**	125,006
Charge for the year, net	**305,469**	133,082
Paid during the year / other adjustment	**(136,441)**	(151,577)
Income tax payable, balance at the end of the year (note 20)	**275,539**	106,511
Net deferred tax payable, balance at the beginning of the year	**789,658**	1,150,740
Charged / (credit) for the year	**101,695**	(325,582)
Other movements, net	**(21,560)**	(35,500)
Net deferred tax payable, balance at the end of the year	**869,793**	789,658
Disclosed as :		
Deferred tax payable	**1,035,934**	1,103,003
Deferred tax assets (note 11)	**(166,141)**	(313,345)
Net deferred tax payable	**869,793**	789,658

Deferred tax assets and payable mainly comprises of temporary timing differences.

8 INCOME TAX (continued)

Income tax expense relates to the tax payable on the results of the subsidiaries, as adjusted in accordance with the taxation laws and regulations of the countries in which the subsidiaries operate. The relationship between the tax expenses and the accounting profit can be explained as follows:

	2021 AED'000	*2020 AED'000 (Restated)*
Profit before tax	**6,123,742**	2,613,843
Profit not subject to tax, net	**(5,747,171)**	(3,104,928)
Accounting profit subject to income tax, net	**376,571**	(491,085)
Accounting profit subject to income tax (excluding impairment / write down)	**886,953**	722,704
Current income tax expense	**(305,469)**	(133,082)
Effective tax rate	**34.44%**	18.41%

The income tax charge is applicable on the Group's operations in Turkey, Egypt, Morocco, India, Pakistan, Lebanon, Kingdom of Saudi Arabia, the United Kingdom, the United States of America, Italy and Syria.

9 BANK BALANCES AND CASH

	2021 AED'000	*2020 AED'000*
Cash in hand	**7,517**	18,047
Current and call bank deposit accounts	**7,482,154**	4,868,784
Fixed deposits with original maturities of three months or less	**316,404**	927,962
Total	**7,806,075**	5,814,793
Deposits under lien (note 29)	**157,285**	153,321
Fixed deposits with original maturities of three months or more, and restricted cash	**694,169**	302,617
	8,657,529	6,270,731
Bank balances and cash located:		
Within UAE	**7,089,436**	5,009,754
Outside UAE	**1,568,093**	1,260,977
	8,657,529	6,270,731
Bank balances and cash are denominated in the following currencies:		
United Arab Emirates Dirham (AED)	**7,089,436**	5,009,754
United States Dollar (USD)	**912,947**	751,344
Saudi Riyal (SAR)	**168,597**	127,830
Indian Rupee (INR)	**228,187**	178,369
Egyptian Pound (EGP)	**110,675**	77,519
Other currencies	**147,687**	125,915
	8,657,529	6,270,731

9 BANK BALANCES AND CASH (continued)

As at 31 December 2021, cash and cash equivalent amount to AED 7,582,554 thousands (2020: AED 5,763,988 thousands) which is net of facilities obtained from various commercial banks and repayable on demand. Also refer note 23.

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.

As at the reporting date, bank balances and cash include an amount of AED 5,971,597 thousands (2020: AED 3,658,173 thousands) with banks representing advances received from customers against sale of development properties which are deposited into escrow accounts and also includes unclaimed dividends. These deposits/balances are not under lien.

10 TRADE AND UNBILLED RECEIVABLES

	2021	*2020*
	AED'000	*AED'000*
		(Restated)
Trade receivables		
Amounts receivables within 12 months, net	**1,429,230**	1,916,091
Amounts receivables after 12 months	**403,909**	-
	1,833,139	1,916,091
Unbilled receivables		
Unbilled receivables within 12 months	**5,477,741**	4,730,869
Unbilled receivables after 12 months, net	**9,323,008**	4,599,604
	14,800,749	9,330,473
Total trade and unbilled receivables	**16,633,888**	11,246,564

The above receivables are net of AED 500,891 thousands (2020: AED 303,591 thousands) relating to provision for doubtful debts. All other receivables are considered recoverable in full.

Movement in the provision for doubtful debts during the year is as follows:

	2021	*2020*
	AED'000	*AED'000*
Balance at the beginning of the year	**303,591**	186,100
Provision made during the year	**197,905**	253,096
Reversed during the year	**(605)**	(135,605)
Balance at the end of the year	**500,891**	303,591

10 TRADE AND UNBILLED RECEIVABLES (continued)

At 31 December, the ageing analysis of net trade and unbilled receivables is as follows:

			Past due but not impaired			
	Total AED'000	*Neither past due nor impaired AED'000*	*Less than 30 days AED'000*	*Between 30 to 60 days AED'000*	*Between 60 to 90 days AED'000*	*More than 90 days AED'000*
2021	**16,633,888**	**14,800,749**	**964,043**	**124,648**	**65,485**	**678,963**
2020 *(Restated)*	11,246,564	9,330,473	233,053	149,094	62,621	1,471,323

Refer note 33(a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

11 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 AED'000	*2020 AED'000 (Restated)*
Recoverable under development agreements	**4,547,121**	4,182,199
Advance against investments, net of provision (i)	**3,818,672**	3,911,851
Advances to contractors and others	**1,419,867**	3,077,322
Deferred sales commission (ii)	**1,123,386**	897,427
Value added tax recoverable	**388,657**	635,642
Recoverable from non-controlling interests, net of provision (note 6)	**322,051**	648,543
Inventory - Hospitality and Retail	**308,180**	349,358
Receivables from Communities Owner Associations	**480,368**	446,775
Deferred income tax assets (note 8)	**166,141**	313,345
Prepayments	**141,399**	170,777
Deposits for acquisition of land	**21,507**	34,811
Accrued interest	**19,901**	16,021
Other receivables and deposits	**1,430,785**	1,345,648
	14,188,035	16,029,719
Other assets, receivables, deposits and prepayments maturity profile:		
Within 12 months	**6,071,832**	6,477,107
After 12 months	**8,116,203**	9,552,612
	14,188,035	16,029,719

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

(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.

12 DEVELOPMENT PROPERTIES

	2021	*2020*
	AED'000	*AED'000*
		(Restated)
Balance at the beginning of the year	**38,532,763**	40,319,940
Effect of restatement (Note 2.4)	**2,400,156**	1,384,063
Balance at the beginning of the year *(Restated)*	**40,932,919**	41,704,003
Add: Costs incurred during the year	**10,804,810**	9,099,810
Add / (less): Costs transferred from / (to) property, plant and equipment (note 16)*	**182,622**	(21,174)
Add: Costs transferred from investment properties (note 17)*	**70,337**	-
Less: Costs transferred to cost of revenue during the year	**(13,592,461)**	(8,907,073)
Less: Foreign currency translation differences	**(180,487)**	(279,808)
Less: Write down (note 2.2 and 5)	**(476,994)**	(662,839)
Balance at the end of the year	**37,740,746**	40,932,919

*The Group has transferred certain costs from / to property, plant and equipment and investment properties based on the change in intended use of such developments.

	2021	*2020*
	AED'000	*AED'000*
		(Restated)
Development properties located:		
Within UAE	**18,759,528**	21,961,720
Outside UAE	**18,981,218**	18,971,199
	37,740,746	40,932,919

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and include the costs of:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction including the cost of construction of infrastructure; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised.

The fair value of the Group's development properties at 31 December 2021 was determined based on valuations performed by professionally qualified external valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The value of the development properties has been determined using market comparable and residual cost method. Key observable inputs include market prices of similar transactions, margins derived and discount rates, any movement in the assumptions would result in the lower / higher fair value of these assets.

The fair value of the development properties as at the reporting date is AED 63,513,945 thousands (2020 *(restated)*: AED 62,899,000 thousands). Also refer note 2.2.

During the year, an amount of AED 34,610 thousands (2020: AED 146,900 thousands) was capitalised as cost of borrowings for the construction of development properties, including unwinding costs.

12 DEVELOPMENT PROPERTIES (continued)

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of its development properties by valuation technique:

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2021	**63,513,945**	**-**	**-**	**63,513,945**
2020 *(Restated)*	62,899,000	-	-	62,899,000

13 INVESTMENTS IN SECURITIES

	2021 AED'000	*2020 AED'000*
Financial assets at fair value through other comprehensive income (i)	**1,310,250**	672,092
Financial assets at fair value through profit and loss	**151,275**	174,754
Financial assets at amortised cost	**1,811,603**	2,077,812
	3,273,128	2,924,658
Investments in securities:		
Within UAE	**1,170,252**	546,416
Outside UAE	**2,102,876**	2,378,242
	3,273,128	2,924,658

(i) Financial assets at fair value through other comprehensive income include a contingent convertible instrument at fair value of AED 5,349 thousands (2020: AED 5,349 thousands) (refer note 14(i)) as well as funds managed by an external fund manager. Equity investments are in quoted, unquoted and index linked securities.

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*
2021	**1,461,525**	**140,843**	**1,291,459**	**29,223**
2020	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. Significant unobservable inputs include adjustable market multiples, which would increase the fair value when higher. There were no transfers made between Level 1 and Level 2 during the year.

13 INVESTMENTS IN SECURITIES (continued)

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets which are recorded at fair value:

	2021	*2020*
	AED'000	*AED'000*
Balance at 1 January	**29,223**	29,223
Balance at 31 December	**29,223**	29,223

Investment in securities other than those recognised at amortised cost (debt instruments) are expected to be recovered after 12 months.

During the year, the Group purchased investments in securities and deposits of AED 3,793,556 thousands (2020: AED 7,702,940 thousands), this includes investment in funds and equity instruments of AED 757,888 thousands (2020: AED 72,014 thousands).

14 LOANS TO ASSOCIATES AND JOINT VENTURES

	2021	*2020*
	AED'000	*AED'000*
Emaar Dubai South DWC LLC	**843,493**	861,359
Old Town Views LLC	**136,236**	114,072
Amlak Finance PJSC (i)	**81,080**	87,118
Other associates and joint ventures	**41,387**	34,082
	1,102,196	1,096,631

Other than (i) below, loans to associates and joint ventures 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.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2021	*2020*
	AED'000	*AED'000*
Carrying value of investments in associates and joint ventures:		
Emaar, The Economic City (Saudi Joint Stock Company) - quoted (i)*	**1,593,458**	1,920,265
Downtown DCP LLC (note 4(a)(iii))*	**514,786**	498,113
DWTC Emaar LLC	**496,464**	437,273
Turner International Middle East Ltd	**265,960**	296,638
Zabeel Square LLC	**255,665**	255,663
Eko Temali Parklar Turizm Işletmeleri Anonim Şirketi	**200,038**	230,335
Emaar Industries and Investment (Pvt) JSC*	**142,894**	147,154
Amlak Finance PJSC - quoted (ii)*	**565,891**	117,421
Dead Sea Company for Tourist and Real Estate Investment*	**58,339**	68,615
Other associates and joint ventures	**981,154**	882,583
	5,074,649	4,854,060

* Represents Group's investment in associates.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

(i) The market value of the shares held in Emaar, The Economic City ("EEC") (quoted on the Saudi Stock Exchange - Tadawul) as at 31 December 2021 was AED 3,036,606 thousands (2020: AED 2,344,764 thousands).

(ii) The market value of the shares held in Amlak Finance PJSC ("Amlak") (quoted on the Dubai Financial Market) as at 31 December 2021 was AED 521,465 thousands (2020: AED 182,477 thousands).

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

		Ownership	
	Country	***31 December 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 4(a)(iii))	UAE	**20.00%**	20.00%
Old Town Views LLC	UAE	**61.25%**	61.25%

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2021:

	Emaar, The Economic City (Saudi Joint Stock Company) quoted AED'000*	*Emaar Industries and Investment (Pvt) JSC AED'000*	*Emaar Dubai South DWC LLC AED'000*	*DWTC Emaar LLC AED'000*	*Turner International Middle East Ltd AED'000*	*Old Town Views LLC AED'000*	*Others* AED'000*	*Total AED'000*
Revenue	**317,074**	**303,197**	**989,956**	**-**	**135,709**	**492,624**	**1,109,905**	**3,348,465**
Profit / (loss) before tax	**(1,047,036)**	**12,556**	**202,655**	**(670)**	**74,602**	**218,053**	**884,083**	**344,243**
Income tax expense	**(44,310)**	**-**	**-**	**-**	**(3,070)**	**-**	**-**	**(47,380)**
Profit / (loss) for the year	**(1,091,346)**	**12,556**	**202,655**	**(670)**	**71,532**	**218,053**	**884,083**	**296,863**
Other comprehensive income	**28,866**	**(14,031)**	**-**	**-**	**-**	**-**	**(2,481)**	**12,354**
Total comprehensive income for the year	**(1,062,480)**	**(1,475)**	**202,655**	**(670)**	**71,532**	**218,053**	**881,602**	**309,217**
Profit / (loss) attributable to owners of the Company	**(1,091,346)**	**2,959**	**202,655**	**(670)**	**40,973**	**218,053**	**884,083**	**256,707**
Group's share of profit / (loss) for the year	**(333,843)**	**1,184**	**101,327**	**(335)**	**26,633**	**133,557**	**386,044**	**314,567**
Dividend received during the year	**-**	**-**	**-**	**-**	**57,311**	**-**	**37,000**	**94,311**

* The Group has applied the equity method using latest available financial information as at 30 September 2021.

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2020:

	*Emaar, The Economic City (Saudi Joint Stock Company) quoted** *AED'000*	*Emaar Industries and Investment (Pvt) JSC* *AED'000*	*Emaar Dubai South DWC LLC* *AED'000*	*DWTC Emaar LLC* *AED'000*	*Turner International Middle East Ltd* *AED'000*	*Old Town Views LLC* *AED'000*	*Others* *AED'000*	*Total* *AED'000*
Revenue	733,347	278,180	179,894	-	136,430	292,720	998,786	2,619,357
Profit / (loss) before tax	(1,064,953)	(3,306)	28,316	(64)	68,298	136,650	(724,681)	(1,559,740)
Income tax expense	(47,711)	-	-	-	(2,074)	-	-	(49,785)
Profit / (loss) for the year	(1,112,664)	(3,306)	28,316	(64)	66,224	136,650	(724,681)	(1,609,525)
Other comprehensive income	2,065	-	-	-	-	-	(28,448)	(26,383)
Total comprehensive income for the year	(1,110,599)	(3,306)	28,316	(64)	66,224	136,650	(753,129)	(1,635,908)
Profit / (loss) attributable to owners of the Company	(1,112,664)	(5,485)	28,316	(64)	59,464	136,650	(724,682)	(1,618,465)
Group's share of profit / (loss) for the year	(340,364)	(2,194)	14,158	(32)	38,651	83,698	(375,653)	(581,736)
Dividend received during the year	-	-	-	-	53,071	-	32,251	85,322

* The Group has applied the equity method using latest available financial information as at 30 September 2020.

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2021:

	Emaar, The Economic City (Saudi Joint Stock Company) quoted AED'000*	*Emaar Industries and Investment (Pvt) JSC AED'000*	*Emaar Dubai South DWC LLC AED'000*	*DWTC Emaar LLC AED'000*	*Turner International Middle East Ltd AED'000*	*Old Town Views LLC AED'000*	*Others AED'000*	*Total AED'000*
Total assets (including cash and cash equivalents of AED 1,617,089 thousands)	**15,484,300**	**709,608**	**1,946,533**	**1,062,981**	**478,409**	**564,423**	**8,867,575**	**29,113,829**
Total liabilities	**10,275,217**	**352,372**	**1,347,993**	**70,052**	**240,983**	**209,419**	**4,691,927**	**17,187,963**
Net assets	**5,209,083**	**357,236**	**598,540**	**992,929**	**237,426**	**355,004**	**4,175,648**	**11,925,866**
Group's share of net assets	**1,593,458**	**142,894**	**299,270**	**496,464**	**154,327**	**217,440**	**1,743,717**	**4,647,570**
Goodwill / intangible assets								**582,079**
Provision for impairment								**(155,000)**
								5,074,649

* The Group has applied the equity method using latest available financial information as at 30 September 2021.

As at 31 December 2021, the Group's associates and joint ventures had contingent liabilities of AED 140,067 thousands (2020: AED 149,583 thousands) and commitments of AED 3,262,353 thousands (2020: AED 4,068,892 thousands).

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2020:

	*Emaar, The Economic City (Saudi Joint Stock Company) - quoted** *AED'000*	*Emaar Industries and Investment (Pvt) JSC* *AED'000*	*Emaar Dubai South DWC LLC* *AED'000*	*DWTC Emaar LLC* *AED'000*	*Turner International Middle East Ltd* *AED'000*	Old Town *Views LLC* *AED'000*	*Others* *AED'000*	*Total* *AED'000*
Total assets (including cash and cash equivalents of AED 1,593,271 thousands)	16,434,448	707,807	2,041,425	898,156	551,816	327,274	8,595,503	29,556,429
Total liabilities	10,157,019	339,922	1,645,539	23,611	267,192	190,322	5,351,477	17,975,082
Net assets	6,277,429	367,885	395,886	874,545	284,624	136,952	3,244,026	11,581,347
Group's share of net assets	1,920,265	147,154	197,943	437,273	185,005	83,883	1,323,708	4,295,231
Goodwill / intangible assets								588,829
Impairment								(30,000)
								4,854,060

* The Group has applied the equity method using latest available financial information as at 30 September 2020.

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

16 PROPERTY, PLANT AND EQUIPMENT

2021:

	Leasehold improvements AED'000	*Land and buildings AED'000*	*Computers and office equipment AED'000*	*Plant, machinery and heavy equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Leisure, entertainment and other assets AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:									
At 1 January 2021	**585,487**	**7,947,342**	**779,757**	**934,461**	**67,446**	**1,095,381**	**1,578,129**	**2,267,709**	**15,255,712**
Additions/Adjustments	**15,757**	**46,747**	**46,799**	**20,253**	**2,745**	**37,286**	**22,675**	**1,119,465**	**1,311,727**
Disposals	**(280)**	**-**	**(4,417)**	**(7,111)**	**(2,015)**	**(15,281)**	**(18,227)**	**(15,570)**	**(62,901)**
Impairment (note 2.2)	**(7,349)**	**(53,309)**	**(1,741)**	**-**	**-**	**(724)**	**(37,627)**	**(21,006)**	**(121,756)**
Transfers	**-**	**544,305**	**22,279**	**296,517**	**84**	**126,223**	**3,055**	**(992,463)**	**-**
Transferred to development properties (note 12)	**-**	**-**	**-**	**-**	**-**	**(3,626)**	**-**	**(179,843)**	**(183,469)**
Transferred from investment properties (note 17)	**-**	**26,302**	**-**	**-**	**-**	**9,240**	**-**	**-**	**35,542**
Foreign currency translation differences	**(28,885)**	**(3,965)**	**(844)**	**(2,022)**	**(174)**	**(2,646)**	**(2,845)**	**(232)**	**(41,613)**
At 31 December 2021	**564,730**	**8,507,422**	**841,833**	**1,242,098**	**68,086**	**1,245,853**	**1,545,160**	**2,178,060**	**16,193,242**
Accumulated depreciation:									
At 1 January 2021	**287,384**	**1,834,927**	**657,362**	**410,883**	**59,242**	**888,888**	**838,556**	**-**	**4,977,242**
Depreciation charge for the year	**16,034**	**250,172**	**103,385**	**91,929**	**3,860**	**81,178**	**111,266**	**-**	**657,824**
Disposals	**(173)**	**-**	**(4,542)**	**(6,471)**	**(1,788)**	**(14,484)**	**(15,236)**	**-**	**(42,694)**
Transferred to development properties (note 12)	**-**	**-**	**-**	**-**	**-**	**(847)**	**-**	**-**	**(847)**
Transferred from investment properties (note 17)	**-**	**5,402**	**-**	**-**	**-**	**-**	**-**	**-**	**5,402**
Foreign currency translation differences	**(13,222)**	**(3,599)**	**(744)**	**(1,945)**	**(119)**	**(1,042)**	**(1,228)**	**-**	**(21,899)**
Impairment (note 2.2)	**(4,531)**	**-**	**(803)**	**-**	**-**	**(314)**	**(1,348)**	**-**	**(6,996)**
At 31 December 2021	**285,492**	**2,086,902**	**754,658**	**494,396**	**61,195**	**953,379**	**932,010**	**-**	**5,568,032**
Net carrying amount:									
At 31 December 2021	**279,238**	**6,420,520**	**87,175**	**747,702**	**6,891**	**292,474**	**613,150**	**2,178,060**	**10,625,210**

16 PROPERTY, PLANT AND EQUIPMENT (continued)

2020:

	Leasehold improvements AED'000	*Land and buildings AED'000*	*Computers and office equipment AED'000*	*Plant, machinery and heavy equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Leisure, entertainment and other assets AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:									
At 1 January 2020	462,758	8,020,727	740,192	759,978	65,501	1,076,965	1,485,418	2,628,788	15,240,327
Additions/ Adjustments (note a)	-	226,723	30,394	117,335	2,205	45,836	78,841	336,770	838,104
Disposals	(9,779)	(39,281)	(7,394)	(12,392)	(1,093)	(14,140)	(59)	-	(84,138)
Impairment (note 2.2)	-	-	-	-	-	-	-	(146,920)	(146,920)
Transfers	97,252	302,217	18,790	107,391	794	18,192	8,432	(553,068)	-
Transferred from development properties (note 12)	3,706	13,972	415	1,054	-	2,027	-	-	21,174
Transferred to investment properties (note 17)	-	-	-	-	-	-	-	(283)	(283)
Transferred to held for sale (note 4(a)(iii))	-	(582,111)	(3,688)	(39,614)	-	(37,907)	-	-	(663,320)
Foreign currency translation differences	31,550	5,095	1,048	709	39	4,408	5,497	2,422	50,768
At 31 December 2020	585,487	7,947,342	779,757	934,461	67,446	1,095,381	1,578,129	2,267,709	15,255,712
Accumulated depreciation:									
At 1 January 2020	257,728	1,634,733	562,356	301,048	55,690	811,757	716,578	-	4,339,890
Depreciation charge for the year	14,173	221,143	102,162	111,563	4,322	91,679	120,637	-	665,679
Disposals	(1,452)	(11,063)	(6,652)	(10,507)	(784)	(10,010)	(38)	-	(40,506)
Adjustments	-	-	(64)	14,831	-	-	(379)	-	14,388
Transferred to investment properties (note 17)	-	-	-	-	-	(72)	-	-	(72)
Transferred to held for sale (note 4(a)(iii))		(9,989)	(907)	(5,821)		(5,963)			(22,680)
Foreign currency translation differences	16,935	103	467	(231)	14	1,497	1,758	-	20,543
At 31 December 2020	287,384	1,834,927	657,362	410,883	59,242	888,888	838,556	-	4,977,242
Net carrying amount:									
At 31 December 2020	298,103	6,112,415	122,395	523,578	8,204	206,493	739,573	2,267,709	10,278,470

Note (a) – Addition during the year 2020 includes assets contributed by a shareholder of a subsidiary amounting to AED 89,564 thousands.

16 PROPERTY, PLANT AND EQUIPMENT (continued)

The valuation of the Group's significant revenue generating property, plant and equipment is carried out by professionally qualified valuers. The net income has been capitalised at terminal yield range of 5.50% to 7.75% (2020: 5.50% to 7.75%) and a discount rate range of 7% to 9.75% (2020: 9.00% to 10.25%) representing the characteristics and risk profile of an asset to determine the value of each of the revenue generating property, plant and equipment. At 31 December 2021, the fair value of these revenue generating property, plant and equipment assets is AED 9,878,111 thousands (2020: AED 8,817,152 thousands) compared with a carrying value of AED 7,859,618 thousands (2020: AED 6,999,202 thousands). Also refer note 2.2.

Certain property, plant and equipment assets are pledged as security against interest-bearing loans and borrowings as disclosed under note 23.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of its revenue generating property, plant and equipment by valuation technique:

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2021	**9,878,111**	**-**	**-**	**9,878,111**
2020	8,817,152	-	-	8,817,152

Any significant movement in the assumptions used for the fair valuation of revenue generating property, plant and equipment such as discount rates, long term revenue/ margin growth etc. would result in significantly lower / higher fair value of those assets.

17 INVESTMENT PROPERTIES

2021:

	Land *AED'000*	*Buildings* *AED'000*	*Plant and equipment* *AED'000*	*Furniture, fixtures and others* *AED'000*	*Capital work-in-progress* *AED'000*	*Total* *AED'000*
Cost:						
At 1 January 2021	**1,990,021**	**16,242,736**	**438,334**	**1,051,571**	**7,025,045**	**26,747,707**
Additions	**947**	**100,731**	**-**	**36,648**	**1,018,859**	**1,157,185**
Disposals /adjustments	**-**	**-**	**-**	**-**	**(7,346)**	**(7,346)**
Transfers	**-**	**2,247,638**	**-**	**52,083**	**(2,299,721)**	**-**
Transfer to development properties (note 12)	**-**	**(74,926)**	**-**	**-**	**-**	**(74,926)**
Transferred to property, plant and equipment (note 16)	-	**(26,302)**	**-**	**-**	**(9,240)**	**(35,542)**
Foreign currency translation differences	**(30)**	**(21)**	**-**	**-**	**(337)**	**(388)**
At 31 December 2021	**1,990,938**	**18,489,856**	**438,334**	**1,140,302**	**5,727,260**	**27,786,690**
Accumulated depreciation:						
At 1 January 2021	**-**	**3,223,397**	**436,883**	**768,878**	**-**	**4,429,158**
Depreciation charge for the year	-	**508,171**	**54**	**116,398**	**-**	**624,623**
Transferred to development properties (note 12)	-	**(4,589)**	**-**	**-**	**-**	**(4,589)**
Transferred to property, plant and equipment (note 16)	-	**(5,402)**	**-**	**-**	**-**	**(5,402)**
At 31 December 2021	**-**	**3,721,577**	**436,937**	**885,276**	**-**	**5,043,790**
Net carrying amount:						
At 31 December 2021	**1,990,938**	**14,768,279**	**1,397**	**255,026**	**5,727,260**	**22,742,900**

17 INVESTMENT PROPERTIES (continued)

2020:

	Land AED'000	*Buildings AED'000*	*Plant and equipment AED'000*	*Furniture, fixtures and others AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2020	1,990,006	15,467,135	438,334	880,268	6,965,864	25,741,607
Additions	-	184,498	-	77,225	1,145,876	1,407,599
Disposals /adjustments	-	-	-	(147)	-	(147)
Transfers	-	994,313	-	94,225	(1,088,538)	-
Transferred from property, plant and equipment (note 16)	-	-	-	-	283	283
Foreign currency translation differences	15	820	-	-	1,560	2,395
Impairment (note 2.2)	-	(404,030)	-	-	-	(404,030)
At 31 December 2020	1,990,021	16,242,736	438,334	1,051,571	7,025,045	26,747,707
Accumulated depreciation:						
At 1 January 2020	-	2,752,448	436,820	647,071	-	3,836,339
Depreciation charge for the year	-	470,841	63	121,953	-	592,857
Transferred from property, plant and equipment (note 16)	-	72	-	-	-	72
Relating to disposals	-	-	-	(146)	-	(146)
Foreign currency translation differences	-	36	-	-	-	36
At 31 December 2020	-	3,223,397	436,883	768,878	-	4,429,158
Net carrying amount:						
At 31 December 2020	1,990,021	13,019,339	1,451	282,693	7,025,045	22,318,549

17 INVESTMENT PROPERTIES (continued)

The fair value of the freehold interest in Group's investment properties at 31 December 2021 was determined based on valuations performed by professionally qualified valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The values of the investment properties have been determined through analysis of the income cash flow achievable for the buildings and takes into account the projected annual expenditure. Both the contracted rent and estimated rental values have been considered in the valuation with allowances for void periods, running costs, vacancy rates and other costs. Based on the type and location of the property, the value of each of the properties has been determined by capitalising the estimated net income at an equivalent yield in the range of 7.85% to 8.80% (2020 : 7.97% to 8.56%) (income capitalisation method); or assuming rental growth rates from 2% (2020: 1.92%) discount rates of to 7.98% to 11% (2020: 7.97% to 17%) and exit cap rates of 5.85% to 8.75% (2020: 5.85% to 8.75%) (discounted cash flow method). Where there are outstanding construction costs to complete the property these have been reflected in the valuation (residual method). Also refer note 2.2.

The fair value of investment properties as at 31 December 2021 is AED 62,387,771 thousands (2020: AED 56,985,274 thousands).

Investment properties represent the Group's interest mainly in land and buildings situated in the UAE, Kingdom of Saudi Arabia, India, Turkey and Egypt.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of its investment properties by valuation technique:

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
2021	**62,387,771**	**-**	**-**	**62,387,771**
2020	56,985,274	-	-	56,985,274

Any significant movement in the assumptions used for the fair valuation of investment properties such as discount rates, yield, rental growth, vacancy rate etc. would result in significantly lower / higher fair value of those assets.

18 INTANGIBLE ASSETS

	Goodwill AED'000	*Brand AED'000*	*Customers relationship AED'000*	*Software AED'000*	*Total AED'000*
2021:					
Cost:					
At 1 January 2021	**573,382**	**164,300**	**51,700**	**5,309**	**794,691**
At 31 December 2021	**573,382**	**164,300**	**51,700**	**5,309**	**794,691**
Amortisation:					
At 1 January 2021	**-**	**-**	**34,590**	**4,629**	**39,219**
Charge for the year	**-**	**-**	**10,226**	**680**	**10,906**
At 31 December 2021	**-**	**-**	**44,816**	**5,309**	**50,125**
Net carrying amount:					
At 31 December 2021	**573,382**	**164,300**	**6,884**	**-**	**744,566**

18 INTANGIBLE ASSETS (continued)

	Goodwill AED'000	*Brand AED'000*	*Customers relationship AED'000*	*Software AED'000*	*Total AED'000*
Cost:					
At 1 January 2020	573,382	164,300	51,700	5,309	794,691
At 31 December 2020	573,382	164,300	51,700	5,309	794,691
Amortisation:					
At 1 January 2020	-	-	24,335	3,685	28,020
Charge for the year	-	-	10,255	944	11,199
At 31 December 2020	-	-	34,590	4,629	39,219
Net carrying amount:					
At 31 December 2020	573,382	164,300	17,110	680	755,472

Impairment assessment of goodwill
CGUs containing goodwill include Hamptons in the MENA region (AED 46,066 thousands), Namshi Holding Limited (AED 365,012 thousands) and Mirage Leisure and Development Inc. (AED 162,304 thousands) and has been tested for impairment using a value in use model. The calculation of value in use was sensitive to the following assumptions:

(i) *Gross margins* - Gross margins were based on the expectations of management based on past experience and expectation of future market conditions.

(ii) *Discount rate*s - Discount rates reflected management's estimate of the specific risks. The discount rate was based on the risk-free rate of the investment's country, market risk premium related to the industry and individual unit related risk premium/ discount. This was the benchmark used by management to assess performance and to evaluate future investment proposals. Management estimated that such discount rate to be used for evaluation of the investment should be between 7% to 12.6% (2020: 7% to 12.6%).

(iii) *Growth rate estimates* - Management prepared a five-year budget based on their expectations of future results, thereafter a growth rate of 0.5% to 22% (2020: 0.5% to 38%) was assumed based on the nature of CGUs which also includes online retail.

With regard to the assessment of value in use of the goodwill and brand, management believes that no reasonably possible change in a key assumption would cause the carrying value of the goodwill to materially exceed its recoverable amount.

19 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 year:

Right-of-use assets

	2021 AED'000	*2020 AED'000*
As at 1 January	**1,268,823**	823,348
Additions	**-**	619,279
Depreciation (note 6)	**(126,233)**	(173,804)
Provision for impairment (note 2.2)	**(75,909)**	-
As at 31 December	**1,066,681**	1,268,823

19 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	2021	*2020*
	AED'000	*AED'000*
As at 1 January	**1,239,009**	747,150
Additions	**-**	619,279
Interest expense	**66,971**	83,284
Payments	**(153,688)**	(210,704)
As at 31 December (note 20)	**1,152,292**	1,239,009

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at the start of lease. The average rate applied is 4% to 8% (2020: 4% to 8%).

During 2020, one of the Real-estate segments of the Group has recognised initial lease liabilities of AED 580 million and the corresponding right of use assets in relation to the lease agreement with a related party. Also refer note 32.

20 TRADE AND OTHER PAYABLES

	2021	*2020*
	AED'000	*AED'000*
		(Restated)
Project contract cost accruals and provisions	**6,735,701**	5,833,395
Creditors for land purchase	**4,059,548**	3,609,269
Trade payables	**1,580,051**	1,696,219
Lease liabilities (note 19)	**1,152,292**	1,239,009
Payable to non-controlling interests	**204,429**	199,673
Dividends payable	**287,545**	288,804
Income tax payable (note 8)	**275,539**	106,511
Other payables and accruals	**4,276,981**	4,453,826
	18,572,086	17,426,706

Trade and other payables are non-interest bearing and for explanations on the Group's liquidity risk management process and maturity profile of financial liabilities refer note 33.

21 ADVANCES FROM CUSTOMERS

	2021	*2020*
	AED'000	*AED'000*
		(Restated)
Balance at the beginning of the year	**8,592,009**	10,147,032
Effect of restatement (note 2.4)	**3,097,414**	2,055,930
Balance at the beginning of the year *(Restated)*	**11,689,423**	12,202,962
Additions during the year	**27,334,082**	15,376,526
Revenue recognised during the year	**(25,225,132)**	(15,854,293)
Foreign currency translation differences	**(6,874)**	(35,772)
Balance at the end of the year	**13,791,499**	11,689,423

The aggregate amount of the sale price allocated to the performance obligations of the Group that are fully or partially unsatisfied as at 31 December 2021 is AED 40,263,077 thousands (excluding joint ventures and development agreements) (2020: AED 33,572,368 thousands). The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 5 years.

22 RETENTIONS PAYABLE

	2021 *AED'000*	*2020* *AED'000*
Retentions payable within 12 months	**868,409**	926,648
Retentions payable after 12 months	**628,712**	720,900
	1,497,121	1,647,548

23 INTEREST-BEARING LOANS AND BORROWINGS

	2021 *AED'000*	*2020* *AED'000*
Balance at the beginning of the year	**13,993,753**	14,373,729
Add: Borrowings drawndown during the year	**5,505,513**	7,466,349
Less: Borrowings repaid during the year	**(10,303,875)**	(7,846,325)
Total	**9,195,391**	13,993,753
Add: Facilities payable on demand (note 9)	**223,521**	50,805
Less: Unamortised portion of directly attributable costs	**(2,029)**	(9,610)
Net interest-bearing loans and borrowings at the end of the year	**9,416,883**	14,034,948
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**6,365,371**	3,490,265
After 12 months	**3,051,512**	10,544,683
Balance at the end of the year	**9,416,883**	14,034,948
Interest-bearing loans and borrowings located:		
Within UAE	**5,410,423**	7,852,109
Outside UAE	**4,006,460**	6,182,839
	9,416,883	14,034,948

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

Secured

- USD 420,000 thousands (AED 1,542,660 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 708,124 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 10,449,320 thousands (AED 516,970 thousands) loans from commercial banks and financial institutions, secured against certain assets in India, bearing interest at rates ranging from 9.07% to 9.20% per annum and repayable by 2025.

23 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Unsecured

- The Group had drawn USD 180,000 thousands (AED 661,140 thousands) out of USD 1,500,000 thousands (AED 5,509,500 thousands) Syndicated Revolving Credit Facility in UAE availed from commercial banks which carries interest / profit 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 1,000,000 thousands (AED 3,673,000 thousands) Revolving Credit Facility (the "Facility") in UAE availed from a syndication of commercial banks, carries profit at LIBOR plus 1.25% per annum and is repayable by 2022. The facility is presented in the consolidated financial statements at AED 7,165 thousands net of unamortised directly attributable transaction cost.

- The Group had drawdown USD 865,000 thousands (AED 3,177,145 thousands) out of USD 1,000,000 thousands (AED 3,673,000 thousands) Revolving Credit Facility (the "Facility") in UAE availed from a syndication of commercial banks, carries profit at LIBOR plus 1.25% per annum and is repayable by 2023. The facility is presented in the consolidated financial statements at AED 3,175,297 thousands net of unamortised directly attributable transaction cost.

- AED 286,863 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 571,825 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 307,159 thousands (AED 6,378 thousands) loans from commercial banks, bearing interest at 3M KIBOR minus 0.25% per annum and repayable in 2022.

- USD 7,000 thousands (AED 25,711 thousands) loans from commercial banks in Lebanon, bearing interest up to 4.58% per annum and repayable by 2022.

- SAR 150,000 thousands (AED 147,000 thousands) loan from a commercial bank bearing interest at SIBOR plus 1% per annum and are repayable in 2023.

- INR 35,103,626 thousands (AED 1,736,717 thousands) loans in India from commercial banks, bearing interest from 5.68% to 9.50% per annum and repayable by 2026.

24 SUKUK

	2021 AED'000	*2020 AED'000*
Emaar Sukuk Limited:		
- Series 3	**2,749,354**	2,748,390
- Series 4	**1,832,444**	1,831,347
- Series 5	**1,832,667**	-
EMG Sukuk Limited:		
- Sukuk	**2,748,475**	2,746,118
Total Sukuk liability as at year-end (all payable after 12 months)	**9,162,940**	7,325,855

24 SUKUK (continued)

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:

	2021	*2020*
	AED'000	*AED'000*
Sukuk liability as at year-end	**2,749,354**	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:

	2021	*2020*
	AED'000	*AED'000*
Sukuk liability as at year-end	**1,832,444**	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:

	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 year-end	**1,518**
Sukuk liability as at the end of the year	**1,832,667**

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 are as follows:

	2021	*2020*
	AED'000	*AED'000*
Sukuk liability as at year-end	**2,748,475**	2,746,118

25 EMPLOYEE BENEFITS

End-of-Service Benefits
The movement in the provision for employees' end-of-service benefits are as follows:

	2021 AED'000	*2020 AED'000*
Balance at the beginning of the year	**167,211**	176,929
Provided during the year	**31,497**	36,737
Paid during the year	**(21,147)**	(46,455)
Balance at the end of the year	**177,561**	167,211

Employees' Performance Share Programme
The Company has an Employee Performance Share Programme ("the Programme") to recognise and retain high performing staff. The Programme gives the employee the right to purchase the Company's shares at par. The shares carry full dividend and voting rights, and the option can be exercised at any time from the stipulated vested dates on the condition that the employee is still under employment at the exercise date. There are no cash settlement alternatives and the options have no contractual expiry date.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2021		*2020*	
	No.	**WAEP**	No.	WAEP
Outstanding at the beginning of the year	**59,743**	**AED1.00**	59,743	AED 1.00
Granted during the year	**-**	**-**	-	-
Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**59,743**	**AED1.00**	59,743	AED1.00

The fair value of the vested shares is determined by reference to the official price list published by the Dubai Financial Market (DFM) for the 5 consecutive trading days prior to and after the vested date. As the options granted are deep in the money, management considers this to be an appropriate means of valuation.

26 SHARE CAPITAL

	2021 AED'000	*2020 AED'000*
Authorised capital 8,179,738,882 shares of AED 1 each (2020: 7,159,738,882 shares of AED 1 each) (refer note below)	**8,179,739**	7,159,739
Issued and fully paid-up 8,179,738,882 shares of AED 1 each (2020: 7,159,738,882 shares of AED 1 each) (refer note below)	**8,179,739**	7,159,739

The Company's shareholders, at the general meeting held on 10 October 2021, approved an increase in authorised share capital of the Company to 8,179,738,882. During the year, after securing necessary approvals from authorities, on 22 November 2021, the Company has issued and allotted 1,020,000,000 new equity shares to NCI of Emaar Malls in accordance with the Merger scheme agreed by the shareholders of the Company and Emaar Malls (refer Note 2.1, 27 and 28)

27 RESERVES

	Statutory reserve AED'000	*Capital reverse 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 1 January 2020	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	-	-	-	-	(51,591)	-	(51,591)
Decrease in foreign currency translation reserve	-	-	-	-	-	(13,044)	(13,044)
Net gain / (loss) recognised directly in equity	-	-	-	-	(51,591)	(13,044)	(64,635)
Acquisition of non-controlling interests (note 4(b))	-	-	-	-	-	(209,352)	(209,352)
Acquisition of additional stake in a subsidiary (note 4(a))	-	-	-	-	-	(1,031)	(1,031)
Net movement during the year	-	-	261,700	-	-	-	261,700
Balance as at 31 December 2020 *(Restated)*	15,220,245	3,660	6,940,830	578,234	(1,411,088)	(3,791,284)	17,540,597
Balance as at 1 January 2021 *(Restated)*	**15,220,245**	**3,660**	**6,940,830**	**578,234**	**(1,411,088)**	**(3,791,284)**	**17,540,597**
Increase in unrealised reserve	**-**	**-**	**-**	**-**	**10,821**	**-**	**10,821**
Increase in foreign currency translation reserve	-	-	-	-	-	**17,320**	**17,320**
Net gain recognised directly in equity	-	-	-	-	**10,821**	**17,320**	**28,141**
Acquisition of non-controlling interests (refer note (a))	**2,097,856**	**-**	**-**	**-**	**-**	**-**	**2,097,856**
Net movement during the year	-	-	**380,011**	**-**	**-**	**-**	**380,011**
Balance as at 31 December 2021	**17,318,101**	**3,660**	**7,320,841**	**578,234**	**(1,400,267)**	**(3,773,964)**	**20,046,605**

27 RESERVES (continued)

(a) Statutory and General reserve:
According to Article number 57 of the Articles of Association of the Company and Article 241 of the UAE Federal Law No. (2) of 2015, 10% of annual net profits after NCI are allocated to the statutory reserve and another 10% to the general reserve. The transfers to the statutory reserve may be suspended when the reserve reaches 50% of the paid-up capital. Transfers to the general reserve may be suspended by the ordinary general assembly when the reserve reaches 50% of the paid-up capital.

The statutory reserve is in excess of 50% of the paid-up share capital of the Company and therefore in accordance with a resolution of the Annual General Meeting, the Group has ceased further transfers to this reserve.

The statutory reserve includes:

- AED 2,475,000 thousands being the premium collected at AED 15 per share (shares par value at that time was AED 10 per share) on the 1:1.65 rights issue during the year ended 31 December 1998;

- AED 11,321,656 thousands being the premium collected to date at AED 4 per share (share par value at AED 1 per share) on the 1:1 rights issue announced during the year ended 31 December 2005;

- AED 1,348,331 thousands being the premium of AED 3.38 per share (share par value at AED 1 per share) on conversion of the notes having face value of USD 475,700 thousands (AED 1,747,246 thousands) on 22 January 2014;

- AED 63,207 thousands being the premium of AED 3.38 per share (share par value at AED 1 per share) on conversion of the Notes having face value of USD 22,300 thousands (AED 81,907 thousands) on 22 December 2014; and

- AED 2,097,856 thousands being the premium of AED 4.13 per share (share par value at AED 1 per share), net of decrease in equity attributable to owners of the Company on acquisition of NCI of Emaar Malls and associated transaction costs, made during the year ended 31 December 2021. Also refer Notes 2.1 and 26.

(b) Share premium:
Share premium of AED 578,234 thousands arise on dilution of Group investment in Emaar Misr for Development SAE through a primary offering of shares in an Initial Public Offering during 2015.

(c) Capital reserve:
Capital reserve of AED 3,660 thousands was created from the gain on sale of treasury shares in 2003.

(d) Net unrealised gains/(losses) reserve:
This reserve records fair value changes in financial assets at fair value through other comprehensive income and the Group's share in fair value reserve of the joint ventures and associates.

(e) Foreign currency translation reserve:
The foreign currency translation reserve is used to record exchange difference arising from translation of the financial statements of foreign subsidiaries, associates and joint ventures.

28 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company (after adjusting for interest on the convertible notes) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	2021 ***AED'000***	*2020* *AED'000* *(Restated)*
Earnings:		
Profit attributable to the owners of the Company for basic earnings	**3,800,110**	2,109,200

	2021	*2020*
Number of shares in thousands		
Weighted-average number of ordinary shares for basic earnings per share*	**7,274,314**	7,159,739

	2021	*2020* *(Restated)*
Earnings per share:		
- basic and diluted earnings per share (AED)	**0.52**	0.29

* The weighted average number of shares at 31 December 2021 take account of the new 1,020,000,000 equity shares issued by the Company on 22 November 2021 to the NCI shareholders of Emaar Malls as part of the Merger scheme. Also refer notes 2.1 and 26.

29 GUARANTEES AND CONTINGENCIES

a) Guarantees

1. The Group has issued financial guarantees and letters of credit of AED 32,047 thousands (2020: AED 217,906 thousands).

2. The Group has provided a financial guarantee of AED 5,000 thousands (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 6,351,465 thousands (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 417,098 thousands (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 104,131 thousands (2020: AED 98,926 thousands) to various government authorities in India for its projects. The banks have a lien of AED 145,163 thousands (2020: AED 116,361 thousands) towards various facilities (refer note 9).

6. The Group has provided a letter of credit and credit card facility of AED 438 thousands (2020: AED 25,296 thousands) in Egypt for its project. The bank has a lien of AED 438 thousands (2020: AED 25,296 thousands) (refer note 9) towards this letter of credit and credit card.

7. The Group has provided a bank guarantee of EGP 50,000 thousands (AED 11,684 thousands) (2020: AED 11,664 thousands) to government authority in Egypt for its project. The bank has a lien of EGP 50,000 thousands (AED 11,684 thousands) (2020: AED 11,664 thousands) (refer note 9) towards this bank guarantee.

29 GUARANTEES AND CONTINGENCIES (continued)

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 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 filed a Petition before the Hon'ble 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, to be carried out in accordance with the Andhra Pradesh State Reorganization Act, 2014, 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.

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 in furtherance to the Project Development Agreement (PDA) entered with Delhi Development Authority (DDA) on 14 September 2007. The project completion was acknowledged by the DDA and Occupancy Certificate was issued in furtherance to the same. However, 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 number 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 Hon'ble Delhi High Court disposed of 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 the 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 4,200 million (AED 208 million) relating to the works supposed to have been carried out by it but the same was 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 as well as 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 favourable decision from the arbitration panel.

30 COMMITMENTS

At 31 December 2021, the Group had commitments of AED 8,666,977 thousands (2020: AED 12,518,498 thousands) which include project commitments of AED 7,928,074 thousands (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 year end net of invoices received and accruals made at that date.

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

There were 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.

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:

	2021	*2020*
	AED'000	*AED'000*
Within one year	**2,792,654**	1,975,124
After one year but not more than five years	**5,926,985**	5,264,016
More than five years	**1,132,342**	1,258,178
	9,851,981	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.

31 DIVIDENDS

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.

A cash dividend of AED 0.15 per share for 2021 is proposed by the Board of Directors of the Company subject to the approval of shareholders in the forthcoming Annual General Meeting.

32 RELATED PARTY DISCLOSURES

The Group in the normal course of business enters into transactions with individuals and other entities that falls within the definition of related party. The Group's related parties include key management personnel, entities held under common control, associates, joint ventures and others.

The Group is partly owned by Investment Corporate of Dubai ("ICD"), an entity owned by the Government of Dubai ("Government"). The Group enters into transactions, in the normal course of business, with Government-owned entities and entities wherein ICD has control, joint control or significant influence. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing and operational related activities, and entered in the normal course of business at commercial terms.

32 RELATED PARTY DISCLOSURES (continued)

Related party transactions
During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	2021 AED'000	*2020 AED'000*
Associates and Joint Ventures:		
Property development expenses	**31,742**	53,150
Islamic finance income	**2,229**	2,384
Selling, general and administrative expenses	**12,831**	7,374
Revenue from leasing, retail and related income	**273**	2,890
Cost of revenue	**636**	837
Other operating income	**6,605**	7,863
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	**159,193**	165,657
Rental income from leased properties and related income	**79,816**	78,868
Finance costs	**44,328**	50,180
Cost of revenue	**11,755**	78,603
Other income	**3,000**	4,700
Other operating income	**23,703**	54,339

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

	2021 AED'000	*2020 AED'000*
Associates and Joint Ventures:		
Trade and other payables	**14,978**	70,644
Trade and unbilled receivables	**1,671**	881
Directors, Key management personnel and their related parties:		
Trade and unbilled receivables	**2,897**	42,720
Other assets, receivables, deposits and prepayments	**151,772**	820,020
Trade and other payables	**694,398**	737,874
Advance from customers	**4,312**	3,092

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

	2021 AED'000	*2020 AED'000*
Short-term benefits	**219,799**	264,803
Employees' end-of-service benefits	**8,545**	7,933
	228,344	272,736

During the year, the number of key management personnel is 160 (2020: 173).

During the year, the Company has paid a bonus 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 (2020: AED 7,350 thousands).

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview
The Group has exposure to the following risks from its use of financial instruments:

a) Credit risk;
b) Market risk; and
c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities, other than derivatives, comprise interest-bearing loans and borrowings, sukuk, retentions payable and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as bank balances and cash, trade and unbilled receivables, investment in securities, loan to joint ventures and associates and other receivables and deposits, which arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, other receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Total financial assets at amortised cost amounted to AED 36,330,791 thousands (2020 *(restated)*: AED 30,250,002 thousands) as at the reporting date.

Trade, unbilled and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 96% (2020: 98%) of the Group's trade and unbilled receivables are based in Middle East and North Africa.

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

The Group establishes an allowance for impairment at each reporting date that represents its estimate of expected credit losses in respect of trade, unbilled and other receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has calibrated the matrix to adjust the historical credit loss experience with forward-looking information.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Credit risk (continued)

Trade, unbilled and other receivables (continued)

Other financial assets and cash deposits
With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, investment in securities, loans to associates and joint ventures, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with international banks and local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

Guarantees
The Group's policy is to provide financial guarantees only to its subsidiaries and certain associates and joint ventures / development arrangements. For details of guarantees outstanding as at the reporting date refer note 29 to the consolidated financial statements.

Excessive risk of concentration

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

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risks, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group also enters into derivative transactions, primarily interest rate swap. The purpose is to manage the interest rate risk arising from the Group's sources of finance.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Exposure to interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rates is fixed until the maturity of the instrument. Other than commercial and overall business conditions, the Group's exposure to market risk for changes in interest rate environment relates mainly to its borrowing from financial institutions, investment in financial products and fixed deposits.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk (continued)

Exposure to interest rate risk (continued)
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, after the impact of hedge accounting (if any), with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	2021		*2020*	
	Change in basis points	***Sensitivity of interest expense AED'000***	*Change in basis points*	*Sensitivity of interest expense AED'000*
Financial liabilities	**± 100**	**89,707**	± 100	135,489

The investments in financial products are not for trading or speculative purposes but placed in securities or fixed deposits, with the objective of achieving better returns than cash at bank. The interest rates on loans to associates and joint ventures are described in note 14 to the consolidated financial statements. Interest rates on loans from financial institutions are disclosed in note 23 and 24 to the consolidated financial statements. The Group also carries certain fixed rate financial assets, which does not have any significant exposure on interest rate risk.

Exposure to foreign currency risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's significant monetary assets and liabilities denominated in foreign currencies are either in USD or in currencies pegged to USD. As the AED is currently pegged to the USD, balances in USD and other currencies pegged against USD are not considered to represent significant currency risk.

However, the Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's net investments in those subsidiaries and associates where functional currencies are denominated in a different currency from the Group's functional currency and which are not pegged to the AED and USD. The foreign currency exchange differences arising upon consolidation of these entities for the purpose of preparation of the Group's consolidated financial statements are recorded in the consolidated statement of changes in equity through the consolidated statement of comprehensive income.

The table below indicates the sensitivity analysis of a change in foreign exchange rates of these currencies and their impact on other comprehensive income:

	2021		*2020*	
	Change in currency rate in %	***Effect on equity / profit AED'000***	*Change in currency rate in %*	*Effect on equity / profit AED'000*
Currency				
EGP	+10	**459,384**	+10	507,468
INR	+10	**151,106**	+10	171,101
Other currencies not pegged to US Dollar	+10	**(31,112)**	+10	(893)

Exposure to equity price risk
Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio. Equity price risk arises from equity instruments held by the Group at fair value through other comprehensive income and fair value through profit and loss. Management of the Group monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed by qualified fund managers as well as on an individual basis. The primary goal of the Group's investment strategy is to maximise investment returns.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk (continued)

Exposure to equity price risk
The effect on fair value of investment in securities (as a result of a change in the fair value of equity instruments held at fair value through other comprehensive income and fair value through profit and loss as at 31 December) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	2021		*2020*	
	Change in equity price in %	***Effect on equity AED'000***	*Change in equity price in %*	*Effect on equity AED'000*
Investments	**+10**	**143,230**	+10	81,762

Exposure to overseas country risks
Management monitors political and economic events and developments in countries where the Group operates to assess the likelihood of any potential impact to the Group's financial position and results of operations.

c) Liquidity risk

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

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings and finance lease contracts. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Financial liabilities	***Within 1 year AED'000***	***1 to 5 years AED'000***	***Over 5 years AED'000***	***Total AED'000***
As at 31 December 2021				
Interest-bearing loans and borrowings	**6,990,025**	**4,487,054**	**553,246**	**12,030,325**
Retentions payable	**868,409**	**628,712**	**-**	**1,497,121**
Lease liabilities	**145,079**	**583,023**	**553,246**	**1,281,348**
Payable to non-controlling interests	**-**	**204,429**	**-**	**204,429**
Dividend payable	**287,545**	**-**	**-**	**287,545**
Sukuk	**364,977**	**6,655,090**	**4,226,246**	**11,246,313**
Other liabilities	**8,484,972**	**7,070,444**	**919,102**	**16,474,518**
Total undiscounted financial liabilities	**17,141,007**	**19,628,752**	**6,251,840**	**43,021,599**

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk (continued)

Financial liabilities

	Withim 1 year AED'000	*1 to 5 years AED'000*	*Over 5 years AED'000*	*Total AED'000*
As at 31 December 2020 (Restated)				
Interest-bearing loans and borrowings	4,258,861	12,109,332	461,195	16,829,388
Retentions payable	926,648	720,900	-	1,647,548
Lease liabilities	192,137	754,523	660,683	1,607,343
Payable to non-controlling interests	-	199,673	-	199,673
Dividend payable	288,804	-	-	288,804
Sukuk	171,299	3,389,881	5,247,477	8,808,657
Other liabilities	8,878,357	5,906,852	1,055,711	15,840,920
Total undiscounted financial liabilities	14,716,106	23,081,161	7,425,066	45,222,333

d) Capital management

Capital includes equity attributable to the equity holders of the Company. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings and sukuk less cash and cash equivalents. Capital includes equity attributable to the owners of the Company less the net unrealised gains/ (losses) reserve. At 31 December 2021, the Groups' gearing ratio is 14% (2020: 21%). The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to shareholders, the return on capital to shareholders or issuance of new shares to maintain or adjust the capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2021 and 31 December 2020.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Group entities are incorporated.

34 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.

35 SUBSIDIARIES WITH MATERIAL NCI

Financial information of subsidiaries of the Group that have material non-controlling interest (NCI) are provided below:

	Country of incorporation	***NCI holding 2021***	*NCI holding 2020*
Emaar Malls PJSC (refer note 2.1)	UAE	**-**	15.37%
Emaar Development PJSC	UAE	**20.00%**	20.00%
Emaar Misr for Development SAE	Egypt	**11.26%**	11.26%
Emaar India Limited	India	**22.99%**	22.99%

The following table summarises the statement of financial position of these subsidiaries for the year ended 31 December 2021. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	***Emaar Development PJSC AED'000***	***Emaar Misr for Development SAE AED'000***	***Emaar India Limited AED'000***
Total assets	**-**	**36,164,592**	**13,634,916**	**9,362,559**
Total liabilities	**-**	**19,749,216**	**8,412,448**	**7,522,042**
Total equity	**-**	**16,415,376**	**5,222,468**	**1,840,517**
Attributable to:				
Owners of the Company	**-**	**11,594,244**	**4,593,842**	**1,330,767**
Non-controlling interest	**-**	**4,821,132**	**628,626**	**509,750**

The following table summarises the income statement of these subsidiaries as at 31 December 2021. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	***Emaar Development PJSC AED'000***	***Emaar Misr for Development SAE AED'000***	***Emaar India Limited AED'000***
Revenue	**4,071,173**	**15,601,892**	**2,605,809**	**1,120,256**
Profit / (loss) for the year	**1,440,256**	**4,232,510**	**963,440**	**(216,421)**
Total comprehensive income for the year	**1,440,256**	**4,232,510**	**963,440**	**(216,421)**
Attributable to:				
Owners of the Company	**1,218,922**	**2,595,470**	**854,958**	**(169,330)**
Non-controlling interest	**221,334**	**1,637,040**	**108,482**	**(47,091)**

The following table summarises the statement of financial position these subsidiaries for the year ended 31 December 2020. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	*Emaar Development PJSC AED'000*	*Emaar Misr for Development SAE AED'000 (Restated)*	*Emaar India Limited AED'000*
Total assets	24,991,489	33,708,938	10,734,895	10,162,429
Total liabilities	5,931,517	20,209,172	6,481,760	8,072,648
Total equity	19,059,972	13,499,766	4,253,136	2,089,781
Attributable to:				
Owners of the Company	16,130,454	8,046,132	3,733,655	1,523,647
Non-controlling interest	2,929,518	5,453,634	519,481	566,134

35 SUBSIDIARIES WITH MATERIAL NCI (continued)

The following table summarises the income statement of these subsidiaries as at 31 December 2020. This information is based on the amounts before inter-company elimination.

	Emaar Malls PJSC AED'000	*Emaar Development PJSC AED'000*	*Emaar Misr for Development SAE AED'000 (Restated)*	*Emaar India Limited AED'000*
Revenue	3,507,561	9,758,283	1,095,423	1,027,723
Profit / (loss) for the year	703,609	2,055,530	439,113	(641,123)
Total comprehensive income for the year	703,609	2,055,530	439,113	(641,123)
Attributable to:				
Owners of the Company	595,460	1,325,848	389,669	(455,571)
Non-controlling interest	108,149	729,682	49,444	(185,552)

36 SUBSEQUENT EVENTS

The Company's management has resolved to initiate a share buyback program by Emaar Properties PJSC of not more than 1% of its issued share capital. The proposed buyback scheme is subject to shareholders and regulatory approvals. Further, subject to shareholders and applicable regulatory approval, Board of Directors of the Company would decide whether to sell or cancel these shares.