Emaar Properties PJSC
and its Subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

Emaar Properties PJSC and its Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
For the Period Ended 30 June 2019

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

To the Shareholders of Emaar Properties PJSC

Introduction

We have reviewed the accompanying 30 June 2019 interim condensed consolidated financial statements of Emaar Properties PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group") , which comprises:

- the interim condensed consolidated income statement for the three month and six month periods ended 30 June 2019;
- the interim condensed consolidated statement of comprehensive income for the three month and six month periods ended 30 June 2019;
- the interim condensed consolidated statement of financial position as at 30 June 2019;
- the interim condensed consolidated statement of changes in equity for the six month period ended 30 June 2019;
- the interim condensed consolidated statement of cash flows for the six month period ended 30 June 2019; and
- notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial statements in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2019 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'.*

Other Matter relating to comparative information

The consolidated financial statements of the Group as at and for the years ended 31 December 2018 and 31 December 2017 (from which the statement of financial position as at 1 January 2018 has been derived), excluding the adjustments described in Note 2.3(b) to these interim condensed consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 20 March 2019 and 22 March 2018 respectively.

The interim condensed consolidated financial statements as at and for the three month and six month periods ended 30 June 2018, excluding the adjustments described in Note 2.3(b) to these interim condensed consolidated financial statements, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 14 August 2018.

The interim condensed consolidated financial statements as at and for the three month period ended 31 March 2019, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 14 May 2019.

As part of our review of these interim condensed consolidated financial statements as at and for the three month and six month periods ended 30 June 2019, we reviewed the adjustments described in Note 2.3(b) that were applied to restate the comparative information as at 31 December 2018, 1 January 2018, and for the three month and six month periods ended 30 June 2018.

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Other Matter relating to comparative information (continued)

We were not engaged to audit, review or apply any procedures to the consolidated financial statements for the years ended 31 December 2018, 31 December 2017 (from which the statement of financial position as at 1 January 2018 has been derived), or to the interim condensed consolidated financial statements as at and for the three month and six month periods ended 30 June 2018, other than with respect to the adjustments described in note 2.3(b). Accordingly, we do not express an opinion, conclusion or any other form of assurance on those respective consolidated financial statements or interim condensed consolidated financial statements taken as a whole. However, in our conclusion, nothing has come to our attention that causes us to believe that the adjustments described in Note 2.3(b) are not appropriate or have not been properly applied.

KPMG Lower Gulf Limited

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

Date: 08 August 2019

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

Period ended 30 June 2019 (Unaudited)

		(US $1.00 = AED 3.673)			
		Six-month period ended		***Three-month period ended***	
	Notes	***30 June 2019 AED'000***	*30 June 2018 AED'000 (Restated)**	***30 June 2019 AED'000***	*30 June 2018 AED'000 (Restated)**
Revenue	5	**11,568,598**	12,041,591	**5,674,689**	6,112,914
Cost of revenue	5	**(5,853,514)**	(5,817,985)	**(2,961,748)**	(2,978,085)
GROSS PROFIT		**5,715,084**	6,223,606	**2,712,941**	3,134,829
Other operating income		**216,211**	213,369	**118,174**	123,652
Other operating expenses		**(73,014)**	(66,031)	**(42,006)**	(39,671)
Selling, general and administrative expenses	6	**(2,165,917)**	(1,930,595)	**(1,127,646)**	(1,007,442)
Finance income	7	**340,794**	414,682	**187,221**	197,718
Finance costs		**(560,019)**	(501,186)	**(297,092)**	(262,067)
Other income		**704,556**	309,800	**270,597**	289,054
Share of results of associates and joint ventures		**(57,539)**	62,515	**3,473**	(9,383)
PROFIT BEFORE TAX		**4,120,156**	4,726,160	**1,825,662**	2,426,690
Income tax expense		**(33,706)**	(23,267)	**(11,200)**	(2,032)
NET PROFIT FOR THE PERIOD		**4,086,450**	4,702,893	**1,814,462**	2,424,658
ATTRIBUTABLE TO:					
Owners of the Parent		**3,110,466**	3,230,545	**1,368,806**	1,605,762
Non-controlling interests		**975,984**	1,472,348	**445,656**	818,896
		4,086,450	4,702,893	**1,814,462**	2,424,658
Earnings per share attributable to the owners of the Parent:					
- basic and diluted earnings per share (AED)		**0.43**	0.45	**0.19**	0.22

* Certain amounts shown here do not correspond to the 30 June 2018 interim condensed consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Period ended 30 June 2019 (Unaudited)

	(US $1.00 = AED 3.673)			
	Six-month period ended		***Three-month period ended***	
	30 June 2019 AED'000	*30 June 2018 AED'000 (Restated)**	***30 June 2019 AED'000***	*30 June 2018 AED'000 (Restated)**
Net profit for the period	**4,086,450**	4,702,893	**1,814,462**	2,424,658
Other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods:				
Increase / (decrease) in hedging reserve	**-**	11,485	**-**	(1,056)
Increase in unrealised gain reserve	**14,019**	1,499	**18,196**	1,877
Increase / (decrease) in foreign currency translation reserve	**188,095**	(505,857)	**158,349**	(311,687)
Net other comprehensive income / (loss) to be reclassified to income statement in subsequent periods	**202,114**	(492,873)	**176,545**	(310,866)
Other comprehensive income / (loss) not to be reclassified to income statement in subsequent periods:				
Increase / (decrease) in unrealised gains / (losses) reserve	**17,261**	(138,561)	**(33,770)**	(64,043)
Realised gain on fair value movement through other comprehensive income	**393,011**	-	**393,011**	-
Net other comprehensive income / (loss) not to be reclassified to income statement in subsequent periods	**410,272**	(138,561)	**359,241**	(64,043)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,698,836**	4,071,459	**2,350,248**	2,049,749
ATTRIBUTABLE TO:				
Owners of the Parent	**3,727,960**	2,789,576	**1,877,894**	1,380,918
Non-controlling interests	**970,876**	1,281,883	**472,354**	668,831
	4,698,836	4,071,459	**2,350,248**	2,049,749

* Certain amounts shown here do not correspond to the 30 June 2018 interim condensed consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

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

Emaar Properties PJSC and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Notes	*30 June 2019* **AED'000** *(Unaudited)*	*31 December 2018* AED'000 *(Audited)* *(Restated)**	*1 January 2018* AED'000 *(Audited)* *(Restated)**
		(US$ 1.00 = AED 3.673)		
ASSETS				
Bank balances and cash	8	**7,789,885**	9,494,194	21,102,536
Trade and unbilled receivables	9	**9,950,889**	7,448,529	2,873,073
Other assets, receivables, deposits and prepayments	10	**15,018,993**	13,991,572	10,505,791
Development properties	11	**40,925,262**	38,384,181	36,721,397
Assets classified as held for sale	4	**1,031,806**	3,144,037	5,966,500
Investments in securities	12	**2,243,136**	2,235,774	1,985,749
Loans to associates and joint ventures	13	**1,355,876**	986,966	727,497
Investments in associates and joint ventures	14	**4,466,470**	4,701,430	4,723,962
Property, plant and equipment		**11,017,650**	10,647,628	11,237,398
Investment properties		**20,731,252**	19,768,447	16,596,397
Intangible assets		**772,423**	616,323	626,959
Right-of-use assets	2.3(b)	**972,390**	-	-
TOTAL ASSETS		**116,276,032**	111,419,081	113,067,259
LIABILITIES AND EQUITY				
LIABILITIES				
Trade and other payables	15	**19,369,150**	17,970,375	14,192,549
Advances from customers		**12,531,440**	13,587,524	17,884,310
Liabilities directly associated with assets classified as held for sale	4	**694,668**	722,894	3,168,694
Retentions payable		**1,446,333**	1,276,971	1,033,329
Interest-bearing loans and borrowings	16	**15,012,985**	13,586,401	14,249,576
Sukuk	17	**7,326,192**	7,323,582	7,318,852
Provision for employees' end-of-service benefits		**182,556**	162,810	162,707
TOTAL LIABILITIES		**56,563,324**	54,630,557	58,010,017
EQUITY				
Equity attributable to owners of the Parent				
Share capital	18	**7,159,739**	7,159,739	7,159,739
Employees' performance share program		**(1,684)**	(1,684)	(1,684)
Reserves	19	**17,204,617**	16,583,498	16,662,287
Retained earnings		**26,459,046**	24,297,987	23,611,254
		50,821,718	48,039,540	47,431,596
Non-controlling interests		**8,890,990**	8,748,984	7,625,646
TOTAL EQUITY		**59,712,708**	56,788,524	55,057,242
TOTAL LIABILITIES AND EQUITY		**116,276,032**	111,419,081	113,067,259

The interim condensed consolidated financial statements were authorised for issue on 8 August 2019 by the Board of Directors and signed on their behalf by:

Chairman

Director

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period ended 30 June 2019 (Unaudited)

(US $1.00 = AED 3.673)

	Attributable to the owners of the Parent						
	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 2018 *(Audited)*	7,159,739	(1,684)	16,583,498	24,792,451	48,534,004	8,791,506	57,325,510
Effect of changes as detailed in Note 2.3(b)	-	-	-	(494,464)	(494,464)	(42,522)	(536,986)
Balance at 31 December 2018 *(Restated)**	7,159,739	(1,684)	16,583,498	24,297,987	48,039,540	8,748,984	56,788,524
Transition adjustments on adoptions of new standards (Note 2.3(b))	-	-	-	41,565	41,565	3,516	45,081
Balance at 1 January 2019	7,159,739	(1,684)	16,583,498	24,339,552	48,081,105	8,752,500	56,833,605
Total comprehensive income for the period							
Net profit for the period	-	-	-	3,110,466	3,110,466	975,984	4,086,450
Other comprehensive income for the period	-	-	617,494	-	617,494	(5,108)	612,386
Total comprehensive income for the period	-	-	617,494	3,110,466	3,727,960	970,876	4,698,836
Realised gain transferred to retained earnings (Note 19)	-	-	(393,011)	393,011	-	-	-
Acquisition of non-controlling interest (Note 15)	-	-	396,636	(294,902)	101,734	(122,706)	(20,972)
Directors' bonus (Note 21)	-	-	-	(7,350)	(7,350)	-	(7,350)
Dividend paid to shareholders (Note 20)	-	-	-	(1,073,961)	(1,073,961)	-	(1,073,961)
Dividend and directors' bonus of subsidiaries	-	-	-	(7,770)	(7,770)	(709,680)	(717,450)
Balance as at 30 June 2019	**7,159,739**	**(1,684)**	**17,204,617**	**26,459,046**	**50,821,718**	**8,890,990**	**59,712,708**

* Certain amounts shown here do not correspond to the 2018 consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

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

(US $1.00 = AED 3.673)

	Attributable to the owners of the Parent						
	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 1 January 2018 *(Audited)*	7,159,739	(1,684)	16,662,287	24,136,875	47,957,217	7,670,113	55,627,330
Effect of changes in accounting policy (Note 2.3)	-	-	-	(525,621)	(525,621)	(44,467)	(570,088)
Balance at 1 January 2018 *(Restated)**	7,159,739	(1,684)	16,662,287	23,611,254	47,431,596	7,625,646	55,057,242
Total comprehensive income for the period							
Net profit for the period	-	-	-	3,230,545	3,230,545	1,472,348	4,702,893
Other comprehensive income for the period	-	-	(440,969)	-	(440,969)	(190,465)	(631,434)
Total comprehensive income for the period	-	-	(440,969)	3,230,545	2,789,576	1,281,883	4,071,459
Directors' bonus	-	-	-	(7,100)	(7,100)	-	(7,100)
Dividend paid to shareholders	-	-	-	(4,009,454)	(4,009,454)	-	(4,009,454)
Dividend and directors' bonus of subsidiaries	-	-	-	(4,900)	(4,900)	(327,500)	(332,400)
Contribution by non-controlling interest	-	-	-	-	-	7,502	7,502
Balance as at 30 June 2018	**7,159,739**	**(1,684)**	**16,221,318**	**22,820,345**	**46,199,718**	**8,587,531**	**54,787,249**

* Certain amounts shown here do not correspond to the 30 June 2018 interim condensed consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Period ended 30 June 2019 (Unaudited)

	Notes	***(US $1.00 = AED 3.673) For the six-month period ended*** 30 June 2019 AED'000	*30 June 2018 AED'000 (Restated)**
Cash flows from operating activities			
Profit before tax		**4,120,156**	4,726,160
Adjustments for:			
Share of results of associates and joint ventures		**57,539**	(62,515)
Depreciation		**608,168**	577,569
Amortisation of intangible assets		**6,003**	5,326
Provision for end-of-service benefits, net		**5,049**	(2,484)
Loss on disposal of property, plant and equipment		**2,164**	6,743
Gain on disposal of investment properties		**(337,976)**	-
Gain on disposal of assets classified as held for sale	4(iii)	**(101,693)**	(48,877)
Provision for doubtful debts / write-off		**12,583**	36,303
Finance costs		**560,019**	501,186
Finance income	7	**(340,794)**	(414,682)
Cash from operations before working capital changes:		**4,591,218**	5,324,729
Working capital changes:			
Trade and unbilled receivables		**(2,448,505)**	(1,819,657)
Other assets, receivables, deposits and prepayments		**(1,061,590)**	(1,944,509)
Development properties		**(1,258,664)**	(78,318)
Advances from customers		**(1,088,524)**	(2,274,327)
Trade and other payables		**(393,417)**	718,584
Retentions payable		**161,059**	58,378
Assets and liabilities held for sale, net		**(49,418)**	193,779
Income tax, net		**59,031**	(7,231)
Net cash flows (used in) / from operating activities		**(1,488,810)**	171,428
Cash flows from investing activities			
Purchase of securities		**(909,658)**	(1,041,065)
Proceeds from disposal of securities		**1,427,213**	1,210,660
Finance income received		**289,473**	396,295
Dividend received from associates and joint ventures		**68,491**	86,066
Additional investments in and loans to associates and joint ventures		**(406,135)**	(143,724)
Amounts incurred on investment properties		**(1,416,678)**	(2,017,389)
Proceeds from disposal of investment properties		**554,207**	-
Amounts incurred on property, plant and equipment		**(643,885)**	(1,231,611)
Proceeds from disposal of property, plant and equipment		**3,716**	2,853
Proceeds from disposal of assets classified as held for sale		**2,235,116**	15,863
Deposits maturing after three months (including deposits under lien)	8	**210,081**	2,187,348
Acquisition of an associate	14	**(66,500)**	**-**
Cash acquired on business combination		**67,752**	-
Net cash flows from / (used in) investing activities		**1,413,193**	(534,704)

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

		(US $1.00 = AED 3.673) For the six-month period ended	
	Notes	***30 June 2019 AED'000***	*30 June 2018 AED'000 (Restated)**
Cash flows from financing activities			
Dividends paid (including dividends of subsidiaries)		**(1,781,961)**	(4,336,954)
Proceeds from interest-bearing loans and borrowings	16	**3,755,426**	1,404,914
Repayment of interest-bearing loans and borrowings	16	**(3,020,900)**	(605,205)
Directors' bonus paid (including directors' bonus of subsidiaries)		**(16,800)**	(12,000)
Payment of lease liabilities		**(61,318)**	-
Movement in non-controlling interests		-	7,502
Acquisition of non-controlling interests		**(496,872)**	-
Finance costs paid		**(561,510)**	(491,693)
Net cash flows used in financing activities		**(2,183,935)**	(4,033,436)
Decrease in cash and cash equivalents		**(2,259,552)**	(4,396,712)
Net foreign exchange difference		**80,299**	(12,653)
Cash and cash equivalents at the beginning of the period		**8,962,678**	16,240,882
Cash and cash equivalents at the end of the period	8	**6,783,425**	11,831,517

* Certain amounts shown here do not correspond to the 30 June 2018 interim condensed consolidated financial statements and reflect adjustments made as detailed in Note 2.3(b).

1 DOMICILE AND ACTIVITIES

Emaar Properties Public Joint Stock Company (the "Company" or the "Parent") 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.

2.1 BASIS OF PREPARATION

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

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements, except for the new standards and amendments adopted during the current period as explained below.

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

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

Certain comparative amounts have been reclassified / restated to conform to the presentation used in these interim condensed consolidated financial statements. Also refer note 2.3(b).

Results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

Basis of consolidation

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

(a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
(b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
(c) the Group has the ability to use its power over the entity to affect the amount of the Company's returns.

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

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

2.1 BASIS OF PREPARATION (continued)

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

Subsidiaries
Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the interim condensed consolidated income statement; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the interim condensed consolidated income statement or retained earnings, as appropriate.

Associates and joint ventures
Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

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

The interim condensed consolidated income statement reflects the Group's share of results of its associates and joint ventures. Unrealised profits and losses resulting from transactions between the Group and associates and its joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures.

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

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

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

Judgments

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

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 and become held for sale. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15.

Revenue recognition for turnover rent

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

Classification of investment properties

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

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

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

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

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

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

Consolidation of subsidiaries
The Group has evaluated all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10: *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

Estimations and assumptions
Impairment of trade, unbilled receivables and other receivables
An estimate of the collectible amount of trade and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied based on expected credit losses on such receivables.

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.

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

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

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.

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.

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.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

(a) 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 interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards, if applicable, when they become effective.

- 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);
- IFRS 17 - Insurance Contracts (amendments are effective for annual period beginning on or after 1 January 2021);
- IAS 1 and IAS 8 - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition (effective for annual period beginning on or after 1 January 2020);
- IFRS 3 - Definition of a Business (Amendment to IFRS 3) (effective for annual period beginning on or after 1 January 2020); and
- Amendments to References to Conceptual Framework in IFRS Standards (effective for annual period beginning on or after 1 January 2020);

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.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective as of 1 January 2019. Although these new standards and amendments apply for the first time in 2019, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group except as mentioned below. The nature and the impact of each new standard or amendment is described below:

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests. The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

These amendments / improvements had no impact on the interim condensed consolidated financial statements of the Group.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) New standards, interpretations and amendments adopted by the Group (continued)

Adoption of IFRS 16 Leases and restatement of comparative balances
IFRS 16 supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

The Group has lease contracts for hotels, residential and commercial properties. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the interim condensed consolidated income statement on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Other assets, receivables, deposits and prepayments and trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases that it is the lessee, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group applied IFRS 16 at the date of initial application and accordingly, the cumulative effect of initially applying the standard (if any) is recognised as an adjustment to the opening balance of retained earnings.

The Group has reassessed the existing sub-lease arrangements which was previously recognised as ‘operating lease’ under IAS 17 based on the remaining contractual terms of the head lease and recorded as a ‘finance lease’ under IFRS 16. The gain arising on finance lease amounting to AED 41,565 thousands and AED 3,516 thousands has been recorded as transition adjustments in the opening balances of retained earnings and non-controlling interests respectively.

Set out below, are the carrying amounts of the Group’s right-of-use assets and lease liabilities and the movements during the period:

	***Right-of-* use assets AED’000**	***Lease* liabilities *AED’000***
As at 1 January 2019	**627,816**	**396,088**
Additions	**405,558**	**405,558**
Depreciation expense	**(60,984)**	**-**
Interest expense	**-**	**15,293**
Payments	**-**	**(61,318)**
As at 30 June 2019	**972,390**	**755,621**

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) New standards, interpretations and amendments adopted by the Group (continued)

Restatement of comparative balances and changes in the accounting policy
During the period, certain comparative balances have been restated as below:

The Group has adopted IFRS 16 and reassessed the recoverability of lease rents paid in advance by one of its subsidiary operating in the Kingdom of Saudi Arabia. Based on the revised business model adopted by the subsidiary in the year 2017, the Group recorded impairment loss of advance lease rent by restating the comparative balances.

In addition, based on the new Real Estate Regulatory Authority (RERA) rules promulgated by the Government of India and various states in India, management has re-evaluated its judgement on timing of revenue recognition during the year 2018 by the Group's subsidiary in India. Accordingly, management determined that in respect to projects covered by RERA rules control over real estate units is transferred to the customers at a point in time and revenue should be recognised when units are completed and handed over.

Based on the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, management had considered the effect of the accounting policy retrospectively and restated the comparative balances in 2018 consolidated financial statements.

Furthermore, subsequent to the finalisation of accounting for a business combination in 2016, certain errors were identified in prior year which were adjusted in 2018 consolidated financial statements by restating the comparative balances.

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

At 31 December 2018	*As previously reported AED'000*	*Effect of restatements AED'000*	*As restated AED'000*
Consolidated Statement of Financial Position			
Assets			
Other assets, receivables, deposits and prepayments	14,528,558	(536,986)	13,991,572
Equity			
Retained earnings	24,792,451	(494,464)	24,297,987
Non-controlling interests	8,791,506	(42,522)	8,748,984
At 1 January 2018			
Consolidated Statement of Financial Position			
Assets			
Other assets, receivables, deposits and prepayments	11,075,879	(570,088)	10,505,791
Equity			
Retained earnings	24,136,875	(525,621)	23,611,254
Non-controlling interests	7,670,113	(44,467)	7,625,646

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) New standards, interpretations and amendments adopted by the Group (continued)

Restatement of comparative balances and changes in the accounting policy (continued)

Interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income

	As previously reported AED'000	*Effect of restatements AED'000*	*As restated AED'000*
For the six-month period ended 30 June 2018:			
Revenue	11,474,097	567,494	12,041,591
Cost of revenue	(5,646,518)	(171,467)	(5,817,985)
Other operating income	190,589	22,780	213,369
Other operating expenses	(74,828)	8,797	(66,031)
Selling, general and administrative expenses	(1,925,680)	(4,915)	(1,930,595)
Other income	319,321	(9,521)	309,800
Income tax expenses	(35,212)	11,945	(23,267)
Net profit for the period	4,277,780	425,113	4,702,893
Earnings per share attributable to the owners of the Parent:			
- basic and diluted earnings per share (AED)	0.42	0.03	0.45
Increase in foreign currency translation reserve	(533,016)	27,159	(505,857)
For the three-month period ended 30 June 2018:			
Revenue	5,887,874	225,040	6,112,914
Cost of revenue	(2,951,428)	(26,657)	(2,978,085)
Other operating income	111,480	12,172	123,652
Other operating expenses	(44,407)	4,736	(39,671)
Selling, general and administrative expenses	(1,010,798)	3,356	(1,007,442)
Other income	293,040	(3,986)	289,054
Income tax expenses	(1,790)	(242)	(2,032)
Net profit for the period	2,210,239	214,419	2,424,658
Earnings per share attributable to the owners of the Parent:			
- basic and diluted earnings per share (AED)	0.21	0.01	0.22
Increase in foreign currency translation reserve	(306,154)	(5,533)	(311,687)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition
Revenue from contracts with customers
The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

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

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

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

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

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

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

Revenue is recognised in the interim consolidated 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.

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.

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.

Development services
Revenue from rendering of development management services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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.

Property, plant and equipment

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

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

No depreciation is charged on land and capital work-in-progress. The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the interim consolidated income statement as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the interim 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 recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Right-of-use assets

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

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

The Group determines at each reporting date whether there is any objective evidence that the investment properties are impaired. Whenever the carrying amount of an investment property exceeds their recoverable amount, an impairment loss is recognised in the interim consolidated income statement. The recoverable amount is the higher of investment property's net selling price and the value in use. The net selling price is the amount obtainable from the sale of an investment property in an arm's length transaction less related costs while value in use is based on the estimated future cash flows, 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.

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. The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

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

Goodwill	indefinite
Brand	indefinite
Customers relationship	5 years
Software	3 years

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The cost of development properties recognised in the interim 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.

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 interm 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.

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)

Fair value hedges (continued)
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 interim consolidated income statement.

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

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in interim consolidated statement of comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the interim 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 interim consolidated statement of comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in interim 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 interim 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 interim 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 interim consolidated income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the interim consolidated income statement.

Put option over non-controlling interests
Written put option on the shares of a subsidiary held by non-controlling interests give rise to a financial liability. The liability that may become payable under the arrangement is initially recognised at present value of the redemption amount with a corresponding entry directly in equity. Subsequent changes to the value of the liability are recognised in the interim consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

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 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 bank overdrafts.

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

Foreign exchange gains and losses
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the interim consolidated income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the interim consolidated statement of comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the interim consolidated income statement.

Derecognition of financial assets
A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

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

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 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).

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 interim 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.

For financial assets carried at amortised cost, the carrying amount is reduced through the use of an allowance account and the amount of the loss is recognised in the interim consolidated statement of income. Interest income on such financial assets was continued to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income was recorded as part of finance income in the interim consolidated statement of income.

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 may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses are recognised in the interim consolidated income statement in those expense categories consistent with the function of the impaired asset.

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognised in the interim consolidated income statement.

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

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

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

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

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible and intangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the interim 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 SEGMENT INFORMATION

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

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

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

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

Business segments
The following tables include revenue, profit and certain assets and liabilities information regarding business segments for the six-month and three-month periods ended 30 June 2019 and 30 June 2018. Assets and liabilities of the business segments are presented as at 30 June 2019 and 31 December 2018.

	Real estate AED'000	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
Six-month period ended 30 June 2019:					
Revenue					
Revenue from external customers					
- Over a period of time	**7,093,835**	**-**	**-**	**-**	**7,093,835**
- Single point in time / leasing revenue	**929,905**	**2,866,993**	**677,865**	**-**	**4,474,763**
	8,023,740	**2,866,993**	**677,865**	**-**	**11,568,598**
Results					
Contribution for the period	**2,763,876**	**1,516,935**	**190,702**	**(13,153)**	**4,458,360**
Unallocated selling, general and administrative expenses					**(308,372)**
Unallocated finance cost, net					**(29,832)**
Profit before tax for the period					**4,120,156**
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	**54,631**	**1,525,611**	**407,671**	**72,650**	**2,060,563**
Depreciation (Property, plant and equipment, right-of-use assets and investment properties)	**111,987**	**337,572**	**120,098**	**38,511**	**608,168**

3 SEGMENT INFORMATION

Business segments (continued)

	Real estate AED'000	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
Three-month period ended 30 June 2019:					
Revenue					
Revenue from external customers					
- Over a period of time	**3,392,268**	**-**	**-**	**-**	**3,392,268**
- Single point in time / leasing revenue	**550,636**	**1,441,656**	**290,129**	**-**	**2,282,421**
	3,942,904	**1,441,656**	**290,129**	**-**	**5,674,689**
Results					
Contribution for the period	**1,206,561**	**710,146**	**(15,578)**	**23,253**	**1,924,382**
Unallocated selling, general and administrative expenses					**(91,274)**
Unallocated finance expenses, net					**(7,446)**
Profit before tax for the period					**1,825,662**
Assets and liabilities					
As at 30 June 2019					
Segment assets	**81,508,216**	**24,420,745**	**7,324,145**	**3,022,926**	**116,276,032**
Segment liabilities	**46,974,668**	**7,350,255**	**1,847,935**	**390,466**	**56,563,324**
Six-month period ended 30 June 2018 (as restated):					
Revenue from external customers					
- Over a period of time	7,155,017	-	-	-	7,155,017
- Single point in time / leasing revenue	1,373,486	2,716,338	796,750	-	4,886,574
	8,528,503	2,716,338	796,750	-	12,041,591
Results					
Contribution for the period	3,396,423	1,474,298	68,204	65,238	5,004,163
Unallocated selling, general and administrative expenses					(436,199)
Unallocated finance income, net					158,196
Profit before tax for the period					4,726,160
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	303,895	2,304,023	440,858	200,224	3,249,000
Depreciation (Property, plant and equipment and investment properties)	84,109	326,382	139,106	27,972	577,569

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000	***Leasing, retail and related activities AED'000***	***Hospitality AED'000***	***Others AED'000***	***Total AED'000***
Three-month period ended 30 June 2018 (as restated):					
Revenue					
Revenue from external customers					
- Over a period of time	3,741,569	-	-	-	3,741,569
- Single point in time / leasing revenue	680,606	1,345,026	345,713	-	2,371,345
	4,422,175	1,345,026	345,713	-	6,112,914
Results					
Contribution for the period	1,833,929	718,980	(20,481)	23,809	2,556,237
Unallocated selling, general and administrative expenses					(227,207)
Unallocated finance income, net					97,660
Profit before tax for the period					2,426,690
Assets and liabilities					
As at 31 December 2018 (Audited and Restated)					
Segment assets	76,233,325	23,227,941	8,576,187	3,381,628	111,419,081
Segment liabilities	45,623,512	7,103,825	1,311,903	591,317	54,630,557

Geographic segments

The following tables include revenue and other segment information for the six-month and three-month periods ended 30 June 2019 and 30 June 2018. Certain assets information for geographic segments is presented as at 30 June 2019 and 31 December 2018.

	Domestic AED'000	***International AED'000***	***Total AED'000***
Six-month period ended 30 June 2019:			
Revenue			
Revenue from external customers			
- Over period of time	**6,295,990**	**797,845**	**7,093,835**
- Single point in time / leasing revenue	**3,376,986**	**1,097,777**	**4,474,763**
	9,672,976	**1,895,622**	**11,568,598**

3 SEGMENT INFORMATION (continued)

Geographic segments (continued)

	Domestic AED'000	***International AED'000***	***Total AED'000***
Other Segment Information			
Capital expenditure			
(Property, plant and equipment and investment properties)	**1,904,269**	**156,294**	**2,060,563**
Three-month period ended 30 June 2019:			
Revenue			
Revenue from external customers			
- Over period of time	**2,926,427**	**465,841**	**3,392,268**
- Single point in time / leasing revenue	**1,656,876**	**625,545**	**2,282,421**
	4,583,303	**1,091,386**	**5,674,689**
Assets			
As at 30 June 2019			
Segment assets	**76,026,146**	**35,783,416**	**111,809,562**
Investments in associates and joint ventures	**1,686,925**	**2,779,545**	**4,466,470**
Total assets	**77,713,071**	**38,562,961**	**116,276,032**
Six-month period ended 30 June 2018 (as restated):			
Revenue			
Revenue from external customers			
- Over period of time	6,599,228	555,789	7,155,017
- Single point in time / leasing revenue	3,764,687	1,121,887	4,886,574
	10,363,915	1,677,676	12,041,591
Other Segment Information			
Capital expenditure			
(Property, plant and equipment and investment properties)	3,015,776	233,224	3,249,000
Three-month period ended 30 June 2018 (as restated):			
Revenue			
Revenue from external customers			
- Over period of time	3,473,044	268,525	3,741,569
- Single point in time / leasing revenue	1,872,568	498,777	2,371,345
	5,345,612	767,302	6,112,914
Assets			
As at 31 December 2018 (Audited and Restated)			
Segment assets	74,093,678	32,623,973	106,717,651
Investments in associates and joint ventures	1,927,782	2,773,648	4,701,430
Total assets	76,021,460	35,397,621	111,419,081

4 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

(i) Emaar Giga Holding Limited

On 12 November 2017, the Group signed a separation agreement with Giga Group Holding Ltd ("Giga") in respect of Emaar Giga Holding Ltd ("EGHL"), a subsidiary formed to develop properties in Pakistan. Based on the separation agreement, Giga will exchange its shareholding in EGHL for land held by the Group in Karachi, Pakistan. As at 30 June 2019 the conditions precedent for completion of the transfer had not been satisfied and the transfer had not been effected. The assets and liabilities that form part of the disposal group have been disclosed under 'assets held for sale' and 'liabilities associated with assets held for sale' in the interim condensed consolidated statement of financial position.

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Assets		
Development properties	**71,174**	83,418
Total assets	**71,174**	83,418
Liabilities		
Trade and other payables	**86,451**	93,846
Total liabilities	**86,451**	93,846
Net liabilities directly associated with the EGHL disposal group	**15,277**	10,428

There were no significant gains or losses recognised in the interim condensed consolidated income statement or in the interim condensed consolidated statement of comprehensive income with respect to these assets.

(ii) Emaar Middle East LLC

During 2016, the Group has entered in a separation agreement with Al Oula Real Estate Development Holding Company ("Al Oula"), by which the Group has agreed to acquire the equity shares held by Al Oula in Emaar Middle East LLC ("EME") and its subsidiaries, which will be settled by way of transfer of ownership of a project (the "EME disposal group") developed by EME to Al Oula.

The transfer of these shares to the Group is subject to certain milestones and conditions defined in the separation agreement. As at 30 June 2019 these milestones and conditions are not completed, and the shares are not transferred to the Group. Accordingly, the assets and liabilities relating to the EME disposal group have been disclosed under 'assets held for sale' and 'liabilities associated with assets held for sale' in the interim condensed consolidated statement of financial position.

4 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

(ii) Emaar Middle East LLC (continued)

The major classes of assets and liabilities of the EME disposal group classified as held for sale are as follows:

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Assets		
Development properties	**930,232**	924,001
Trade and unbilled receivables	**30,400**	18,771
Total assets	**960,632**	942,772
Liabilities		
Trade and other payables	**577,305**	577,256
Advances from customers	**30,912**	21,291
Total liabilities	**608,217**	598,547
Net assets directly associated with the EME disposal group	**352,415**	344,225

There were no significant gains or losses recognised in the interim condensed consolidated income statement or in the interim condensed consolidated statement of comprehensive income with respect to these assets.

(iii) Emaar Hospitality Group

On 26 November 2018, Emaar Hospitality Group LLC (EHG), a subsidiary of the Group, entered into a Sale and Purchase Agreement ("SPA") with Abu Dhabi National Hotels Company PSJC (ADNH) to transfer its ownership interest in five hotels (Hotels) owned by EHG in Dubai. Based on the agreement, ADNH agreed to purchase the Hotels for a consideration of AED 2,198 million, subject to adjustments relating to working capital and employee entitlements.

Sale of the Hotels were subject to satisfactory completion of condition precedents as defined in the SPA. As at 31 December 2018, these condition precedents were not completed and transfer of ownership of the hotels to ADNH was not effected. Accordingly, at 31 December 2018, the assets and liabilities of Hotels were classified as 'assets held for sale' and 'liabilities associated with assets classified as held for sale' (EHG disposal group) in the consolidated statement of financial position.

On 12 February 2019, all the condition precedents were satisfactorily completed and ownership of the Hotels have been transferred to ADNH. Accordingly, the Group has recorded a gain of AED 101,693 thousands, which was recognised as other income in the interim condensed consolidated income statement. Further, during February 2019, the Group entered into a long-term hotel management agreement with ADNH to manage the Hotels for a period of 15-20 years.

4 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

(iii) Emaar Hospitality Group (continued)

The major classes of assets and liabilities of EHG disposal group at 12 February 2019 and 31 December 2018 are as follows:

	12 February 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Assets		
Property, plant and equipment	**2,096,307**	2,095,894
Trade and unbilled receivables	**14,649**	8,753
Other assets, receivables, deposits and prepayments	**62,597**	13,200
Total assets	**2,173,553**	2,117,847
Liabilities		
Provision for employees' end-of-service benefits	**8,125**	9,068
Trade and other payables	**27,646**	19,709
Advances from customers	**4,359**	1,724
Total liabilities	**40,130**	30,501
Net assets directly associated with the EHG disposal group	**2,133,423**	2,087,346

The operating results of the Hotels for the period 1 January 2019 to 12 February 2019 were as follows:

	AED'000
Revenue	68,743
Cost of revenue	(28,634)
Gross profit	40,109
Selling, general and administrative expenses	(11,034)
Profit for the year from EHG disposal group attributable to the owners of the Parent	**29,075**

5 REVENUE AND COST OF REVENUE

	Six-month period ended		*Three-month period ended*	
	30 June 2019 AED'000	*30 June 2018 AED'000 (Restated)*	***30 June 2019 AED'000***	*30 June 2018 AED'000 (Restated)*
Revenue:				
Revenue from property sales				
Sale of condominiums	**4,503,088**	4,291,025	**2,224,829**	2,208,821
Sale of villas	**3,170,915**	3,436,255	**1,538,950**	1,857,134
Sale of commercial units, plots of land and others	**349,737**	801,221	**179,125**	356,218
Revenue from hospitality	**677,865**	796,750	**290,129**	345,713
Revenue from leased properties, retail and related income	**2,866,993**	2,716,340	**1,441,656**	1,345,028
	11,568,598	12,041,591	**5,674,689**	6,112,914
Cost of revenue:				
Cost of revenue from property sales				
Cost of condominiums	**2,849,853**	2,588,580	**1,425,960**	1,330,213
Cost of villas	**1,709,386**	1,733,123	**862,155**	927,777
Cost of commercial units, plots of land and others	**264,479**	402,341	**108,006**	158,954
Operating cost of hospitality	**368,984**	469,020	**196,549**	236,754
Operating cost of leased properties, retail and related activities	**660,812**	624,921	**369,078**	324,387
	5,853,514	5,817,985	**2,961,748**	2,978,085

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Six-month period ended		*Three-month period ended*	
	30 June 2019 AED'000	*30 June 2018 AED'000 (Restated)*	***30 June 2019 AED'000***	*30 June 2018 AED'000 (Restated)*
Payroll and related expenses	**422,345**	400,850	**188,601**	217,807
Sales and marketing expenses	**504,473**	367,637	**244,380**	192,798
Depreciation of property, plant and equipment	**305,517**	330,750	**158,493**	166,056
Depreciation of investment properties	**241,667**	246,819	**120,625**	130,730
Depreciation of right of use assets	**50,058**	-	**25,425**	-
Property management expenses	**130,495**	174,341	**65,171**	95,061
Pre-operating expenses	**10,734**	28,000	**8,142**	16,725
Other expenses	**500,628**	382,198	**316,809**	188,265
	2,165,917	1,930,595	**1,127,646**	1,007,442

7 FINANCE INCOME

	Six-month period ended		*Three-month period ended*	
	30 June 2019 AED'000	*30 June 2018 AED'000*	***30 June 2019 AED'000***	*30 June 2018 AED'000*
Finance income on fixed deposits with banks	**49,932**	182,165	**24,443**	87,060
Other finance income	**290,862**	232,517	**162,778**	110,658
	340,794	414,682	**187,221**	197,718

8 BANK BALANCES AND CASH

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Cash in hand	**7,931**	9,500
Current and call bank deposit accounts	**6,818,438**	7,885,404
Fixed deposits maturing within three months	**642,081**	1,067,774
Total	**7,468,450**	8,962,678
Deposits under lien (note 16 and 22)	**117,959**	92,886
Fixed deposits maturing after three months	**203,476**	438,630
	7,789,885	9,494,194
Bank balances and cash located:		
Within UAE	**5,860,373**	7,574,242
Outside UAE	**1,929,512**	1,919,952
	7,789,885	9,494,194
Bank balances and cash are denominated in the following currencies:		
United Arab Emirates Dirham (AED)	**5,860,373**	7,574,242
Egyptian Pound (EGP)	**1,007,286**	966,017
United States Dollar (USD)	**673,016**	712,437
Indian Rupee (INR)	**144,465**	97,048
Saudi Riyal (SAR)	**50,996**	29,850
Other currencies	**53,749**	114,600
	7,789,885	9,494,194

As at 30 June 2019, cash and cash equivalent is AED 6,783,425 thousands (31 December 2018: AED 8,962,678 thousands) which is net of facilities obtained from various commercial banks in the UAE that is repayable on demand (also refer note 16).

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Bank balances maintained in the UAE includes an amount of AED 13,594 thousands (31 December 2018: AED 13,943 thousands) committed for investments in a project in Syria.

As at 30 June 2019, an amount of AED 5,573,819 thousands (31 December 2018: AED 7,130,069 thousands) is with banks for unclaimed dividends and advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

9 TRADE AND UNBILLED RECEIVABLES

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Trade receivables		
Amounts receivables within 12 months, net	**1,419,943**	1,897,937
Unbilled receivables		
Unbilled receivables within 12 months	**5,865,544**	3,930,855
Unbilled receivables after 12 months, net	**2,665,402**	1,619,737
	8,530,946	5,550,592
Total trade and unbilled receivables	**9,950,889**	7,448,529

The above trade receivables are net of AED 173,925 thousands (31 December 2018: AED 156,796 thousands) relating to provision for doubtful debts representing management's best estimate of doubtful trade receivables based on the expected credit loss on receivables. All other receivables are considered recoverable.

10 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited) (Restated)*
Recoverable under joint development agreements	**5,941,703**	5,143,788
Advances to contractors and others	**4,095,983**	4,098,300
Prepayments	**176,786**	563,919
Value added tax recoverable	**874,912**	908,715
Deferred sales commission (i)	**1,009,488**	873,094
Recoverable from non-controlling interests (ii)	**637,843**	604,989
Inventory - Hospitality and Retail	**264,046**	201,408
Deposits for acquisition of land	**114,468**	123,418
Receivables from Communities Owner Associations	**238,799**	163,186
Deferred income tax assets	**187,743**	177,676
Accrued interest	**76,785**	25,464
Other receivables and deposits	**1,400,437**	1,107,615
	15,018,993	13,991,572
Other assets, receivables, deposits and prepayments maturity profile:		
Amounts recoverable within 12 months	**14,359,435**	12,971,525
Amounts recoverable after 12 months	**659,558**	1,020,047
	15,018,993	13,991,572

(i) The deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations where applicable.

(ii) Recoverable from non-controlling interests includes AED 371 million (31 December 2018: AED 367 million) receivable from the other promotor group in EMGF as per the demerger scheme, which carries interest at 11.25% per annum and is receivable in 2019.

11 DEVELOPMENT PROPERTIES

	30 June 2019 AED'000
Balance at the beginning of the period *(Audited)*	**38,384,181**
Add: Cost incurred during the period	**7,290,843**
Less: Cost transferred to cost of revenue during the period	**(4,823,718)**
Less: Foreign currency translation differences	**73,956**
Balance at the end of the period	**40,925,262**

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Development properties located:		
Within UAE	**22,522,521**	20,036,744
Outside UAE	**18,402,741**	18,347,437
	40,925,262	38,384,181

12 INVESTMENTS IN SECURITIES

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Financial assets at fair value through other comprehensive income	**714,908**	683,676
Financial assets at fair value through profit and loss	**189,845**	125,334
Financial assets at amortised cost	**1,338,383**	1,426,764
	2,243,136	2,235,774
Investments in securities:		
Within UAE	**590,570**	561,756
Outside UAE	**1,652,566**	1,674,018
	2,243,136	2,235,774

Fair value hierarchy

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

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
30 June 2019	**904,753**	**64,595**	**809,434**	**30,724**
31 December 2018 *(Audited)*	809,010	72,364	705,922	30,724

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

13 LOANS TO ASSOCIATES AND JOINT VENTURES

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Emaar Dubai South DWC LLC (i)	**619,921**	311,079
DWTC Emaar LLC (i)	**384,701**	320,065
Zabeel Square LLC (i)	**255,415**	255,002
Amlak Finance PJSC (ii)	**91,677**	91,677
Other associates and joint ventures	**4,162**	9,143
	1,355,876	986,966

(i) Loans to associates and joint ventures of AED 1,260,037 thousands (31 December 2018: AED 886,146 thousands) are unsecured, repayable on demand and do not carry any interest.

(ii) 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 (CCI).

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Emaar, The Economic City (Saudi Joint Stock Company) - quoted	**2,356,794**	2,350,209
Amlak Finance PJSC – quoted	**559,588**	655,321
Emaar Bawadi LLC	**505,863**	505,567
Turner International Middle East Ltd	**326,822**	352,913
Eko Temali Parklar Turizm Işletmeleri Anonim Şirketi	**262,884**	244,816
Mirage Leisure and Development Inc. (Note (i))	**-**	143,631
Emaar Industries and Investment (Pvt) JSC	**145,463**	149,918
Dead Sea Company for Tourist and Real Estate Investment	**82,817**	101,583
Others	**226,239**	197,472
	4,466,470	4,701,430

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

	Country of incorporation	***Ownership*** ***30 June 2019***	*31 December 2018*
Emaar, The Economic City (Saudi Joint Stock Company)	KSA	**30.59%**	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%
Mirage Leisure and Development Inc. (Note (i))	BVI	**-**	65.00%
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%

14 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

(i) On 1 October 2015, the Group had acquired 65% interest in the equity shares of Mirage Leisure and Development Inc. ("MLD"), a company registered and incorporated on 3 June 1997 in accordance with the laws of the British Virgin Islands ("BVI"). This investment was recorded as investment in associate. MLD is engaged in management consulting for construction projects.

On 30 April 2019, the Group acquired the remaining 35% interest for a purchase consideration of AED 66,500 thousands in MLD resulting in Group obtaining control over the entity. The fair value of identified net assets of MLD as at the date of acquisition amounted to AED 51,654 thousands. The transaction represents a business combination under IFRS 3 '*Business Combination*' and has been accounted for using the acquisition method of accounting. Accordingly, the consideration paid has been allocated based on the fair values of the assets acquired and liabilities assumed and the Group recorded goodwill of AED 162,304 thousands.

Goodwill arising from the acquisition has been recognised as follows:

	30 April 2019 AED'000
Purchase consideration transferred	**66,500**
Fair value of pre-existing interest in MLD	**147,458**
Fair value of identifiable net assets	**(51,654)**
Goodwill arising on acquisition	**162,304**

Goodwill primarily comprises revenue growth from future services and projects arising from the acquisition as well as certain other intangible assets that do not qualify for separate recognition under IAS 38.

15 TRADE AND OTHER PAYABLES

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Project contract cost accruals and provisions	**5,400,748**	5,622,716
Creditors for land purchase (ii)	**5,165,449**	3,936,780
Deferred income tax payable	**1,973,317**	1,874,352
Trade payables	**1,401,687**	1,337,018
Lease liabilities (Note 2.3(b))	**755,621**	-
Payable to non-controlling interests	**649,587**	630,888
Dividends payable	**291,030**	291,438
Income tax payable	**59,960**	118,991
Put option over non-controlling interests (i)	**-**	488,452
Other payables and accruals	**3,671,751**	3,669,740
	19,369,150	17,970,375

(i) Pursuant to the Shareholders' Agreement which was executed between the Group and Global Fashion Group ("GFG") on 16 August 2017 in relation to the acquisition of Namshi Holding Limited ("Namshi"), the Group granted a put option to GFG in respect of GFG's shareholding in Namshi. GFG had the right to require the Company to acquire GFG's entire shareholding in Namshi.

During the period, on 25 February 2019, the Group acquired the remaining 49% equity stake in its subsidiary, Namshi for a consideration of AED 496,872 thousands. Total consideration includes the amount paid to GFG amounting to AED 475,900 thousands and other shareholders of Namshi amounting to AED 20,972. The difference in the amount of consideration paid and the non-controlling interests amounting to AED 294,902 thousands has been directly recognised in the interim condensed consolidated statement of changes in equity as required under IFRS 10.

Upon acquisition of remaining GFG's shareholding in Namshi, the non-current financial liability previously recognised in the interim condensed consolidated statement of financial position has been derecognised in the current period. The Group has recognised a gain on settlement of put option over non-controlling interests amounting to AED 15,689 thousands in the interim condensed consolidated income statement.

15 TRADE AND OTHER PAYABLES (continued)

(ii) On 9 January 2019, the Group incorporated a new subsidiary and entered into a Joint Development Agreement ("JDA") with Mina Rashid Properties L.L.C ("Mina Rashid") to develop Mina Rashid land into a mixed use community (the "Mina Rashid Project"). As per the JDA, the Group gained control over Mina Rashid and accordingly has consolidated the entity as at 30 June 2019, in accordance with the requirements of IFRS 10 "Consolidated Financial Statements". As at 30 June 2019, on consolidation of Mina Rashid, the Group has recorded land within development properties amounting to AED 1,281,295 thousands, with a corresponding liability payable under trade and other payables. The Group has also agreed to share 30 per cent share of future profits earned from the Mina Rashid Project over the project life cycle.

16 INTEREST-BEARING LOANS AND BORROWINGS

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Balance at the beginning of the period / year	**13,641,731**	14,320,300
Add: Borrowings drawdown during the period / year	**3,755,426**	5,238,467
Less: Borrowings repaid during the period / year	**(3,020,900)**	(5,917,036)
Balance at the end of the period / year	**14,376,257**	13,641,731
Add: Facilities payable on demand (Note 8)	**685,025**	-
Less: Unamortised portion of directly attributable costs	**(48,297)**	(55,330)
Net interest-bearing loans and borrowings at the end of the period / year	**15,012,985**	13,586,401
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**5,320,110**	2,191,355
After 12 months	**9,692,875**	11,395,046
Balance at the end of the period / year	**15,012,985**	13,586,401
Interest-bearing loans and borrowings located:		
Within UAE	**8,921,430**	7,457,567
Outside UAE	**6,091,555**	6,128,834
	15,012,985	13,586,401

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

Secured

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

- USD 34,709 thousands (AED 127,484 thousands) loan from commercial bank, secured against certain assets in Lebanon, carries interest at 8.5% per annum and is repayable by 2022.

- USD 10,012 thousands (AED 36,775 thousands) loan from a commercial bank, secured against certain assets in Lebanon, carries interest at 1.075% per annum and is repayable by 2020.

- AED 444,095 thousands represent loan from a commercial bank, secured against certain assets in the United Arab Emirates, carries interest at EIBOR plus 2.5% per annum and is repayable by 2026.

16 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Secured (continued)

- INR 20,173,676 thousands (AED 1,077,934 thousands) loans from commercial banks and financial institutions, secured against certain assets in India, bearing interest at rates ranging from 8.35% to 12.85% per annum and repayable by 2024.

Unsecured

- During 2017, the Group had drawdown USD 1,080,000 thousands (AED 3,966,840 thousands) out of Murabaha financing facility from First Abu Dhabi Bank PJSC in UAE. The Murabaha facility is secured against cash flows of certain projects of the Group, carries profit rate at LIBOR plus 1.4% per annum and is fully repayable by 2022. The facility is presented in the interim condensed consolidated financial statements at AED 3,935,803 thousands net of unamortised directly attributable transaction cost.

- The Group had drawdown USD 530,000 thousands (AED 1,946,690 thousands) out of USD 1,500,000 thousands (AED 5,509,500 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2022. The facility is presented in the interim condensed consolidated financial statements at AED 1,942,330 thousands net of unamortised directly attributable transaction cost.

- The Group had drawdown USD 495,000 thousands (AED 1,818,135 thousands) out of USD 2,000,000 thousands (AED 7,346,000 thousands) Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest at LIBOR plus 1.25% per annum and is repayable by 2022. The facility is presented in the interim condensed consolidated financial statements at AED 1,807,526 thousands net of unamortised directly attributable transaction cost.

- AED 100,000 thousands represent loan from a commercial bank in United Arab Emirates, carries interest at EIBOR plus 2.5% per annum and is repayable in 2019.

- AED 685,025 thousands represent facilities obtained from various commercial banks in the United Arab Emirates and is repayable on demand.

- PKR 6,615,944 thousands (AED 148,859 thousands) loans from commercial banks, bearing interest at KIBOR plus 0.10% per annum and repayable in 2022.

- PKR 1,889,508 thousands (AED 42,513 thousands) loans from commercial banks, bearing interest at KIBOR plus 0.10% per annum and repayable in 2020.

- EGP 10,498 thousands (AED 2,310 thousands) of funding facilities from commercial banks in Egypt, bearing interest at rates ranging up to 1.0% plus CBE Corridor Rate and repayable by 2021.

- USD 380,000 thousands (AED 1,395,740 thousands) loan from a commercial bank in Turkey, bearing interest at LIBOR plus 1.25% per annum and repayable by 2020.

- USD 56,998 thousands (AED 209,355 thousands) loans from commercial banks in Lebanon, bearing interest up to 4.58% per annum and repayable by 2022.

- SAR 170,000 thousands (AED 166,600 thousands) loan from a commercial bank bearing interest at SIBOR plus 1% per annum – SIBOR plus 2% per annum and are repayable in 2020.

- INR 19,728,307 thousands (AED 1,054,136 thousands) loans from commercial banks in India, bearing interest at 8.40% to 10.25% per annum and repayable by 2024. The banks have a lien of AED 87,504 thousands (31 December 2018: AED 64,503 thousands) (refer note 8) towards various facilities.

17 SUKUK

A. Emaar Sukuk Limited:

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

Series 2:
On 18 July 2012, the Issuer had issued the second series of the trust certificates (the "Sukuk 2") amounting to USD 500,000 thousands (AED 1,836,500 thousands) under the Programme. The Sukuk 2 is listed on NASDAQ Dubai and is due for repayment in 2019. Sukuk 2 carries a profit distribution at the rate of 6.4% per annum to be paid semi- annually. The carrying value of Sukuk 2 is as follows:

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Sukuk liability as at period / year-end	**1,836,392**	1,835,270

Subsequent to the reporting date, on 18 July 2019, upon maturity, the Issuer fully repaid the Sukuk 2 liability.

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

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Sukuk liability as at period / year-end	**2,747,011**	2,746,576

B. EMG Sukuk Limited:

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

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Sukuk liability as at period / year-end	**2,742,789**	2,741,736

The total Sukuk liability is as follows:

17 SUKUK (continued)

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Emaar Sukuk Limited:		
- Series 2	**1,836,392**	1,835,270
- Series 3	**2,747,011**	2,746,576
EMG Sukuk Limited:		
- Sukuk	**2,742,789**	2,741,736
Total Sukuk liability as at period / year-end	**7,326,192**	7,332,582

18 SHARE CAPITAL

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Authorised capital 7,159,738,882 shares of AED 1 each (31 December 2018: 7,159,738,882 shares of AED 1 each)	**7,159,739**	7,159,739
Issued and fully paid-up 7,159,738,882 shares of AED 1 each (31 December 2018: 7,159,738,882 shares of AED 1 each)	**7,159,739**	7,159,739

19 RESERVE

	Statutory reserve AED'000	*Capital reserve/ Put option over non-controlling interests AED'000*	*General reserves AED'000*	*Hedging reserves AED'000*	*Share premium AED'000*	*Net unrealised gains/(losses) reserve AED'000*	*Foreign currency translation reserve AED'000*	*Total AED'000*
Balance as at 31 December 2018 *(Audited)*	15,220,245	(392,976)	6,059,127	-	578,234	(1,357,842)	(3,523,290)	16,583,498
Realised gain on financial assets at FVOCI (Note 21)	-	-	-	-	-	393,011	-	393,011
Increase in unrealised reserve	-	-	-	-	-	31,875	-	31,875
Increase in foreign currency translation reserve	-	-	-	-	-	-	192,608	192,608
Net income recognised directly in equity	-	-	-	-	-	424,886	192,608	617,494
Realised gain transferred to retained earnings (Note 21)	-	-	-	-	-	(393,011)	-	(393,011)
Acquisition of non-controlling interests	-	396,636	-	-	-	-	-	396,636
Balance as at 30 June 2019	**15,220,245**	**3,660**	**6,059,127**	**-**	**578,234**	**(1,325,967)**	**(3,330,682)**	**17,204,617**
Balance as at 31 December 2017 *(Audited)*	15,220,245	(392,976)	5,448,323	10,159	578,234	(1,151,417)	(3,050,281)	16,662,287
Increase / (decrease) in unrealised reserve	-	-	-	9,721	-	(136,681)	-	(126,960)
Decrease in foreign currency translation reserve	-	-	-	-	-	-	(314,009)	(314,009)
Net income / (loss) recognised directly in equity	-	-	-	9,721	-	(136,681)	(314,009)	(440,969)
Balance as at 30 June 2018 *(Restated)*	15,220,245	(392,976)	5,448,323	19,880	578,234	(1,288,098)	(3,364,290)	16,221,318

20 DIVIDEND

A cash dividend of AED 0.15 per share for 2018 was approved by the shareholders of the Company at the Annual General Meeting of the Company held on 23 April 2019.

21 RELATED PARTY DISCLOSURES

For the purpose of these interim condensed consolidated financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

	Six-month period ended	
	30 June 2019 AED'000	*30 June 2018 AED'000*
Associates and Joint Ventures:		
Property development expenses	**29,985**	48,400
Capital expenditure	**26,333**	43,713
Selling, general and administrative expenses	**12,703**	4,405
Rental income from leased properties and related income	**2,450**	2,756
Islamic finance income	**1,189**	1,206
Cost of revenue	**668**	1,103
Other operating income	**-**	382

Also refer note 19.

Directors, Key management personnel and their related parties:		
Rental income from leased properties and related income	**45,508**	21,058
Selling, general and administrative expenses	**21,283**	15,343
Other finance income	**-**	7,039
Islamic finance income	**338**	1,702
Finance costs incurred on interest-bearing loans and borrowings	**2,709**	1,065
Cost of revenue	**3,793**	692
Property development expenses	**-**	479
Revenue from hospitality	**64**	278

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

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Associates and joint ventures:		
Trade and other payables	**54,326**	46,614
Trade and unbilled receivables	**1,066**	243
Advance from customers	**424**	424
Directors, Key management personnel and their related parties:		
Bank balances and cash	**35,195**	134,125
Other assets, receivables, deposits and prepayments	**754,641**	747,896
Advance from customers	**27,162**	12,084
Trade and unbilled receivables	**30,630**	7,895
Trade and other payables	**736**	40
Interest-bearing loans and borrowings	**272,720**	-

21 RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel

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

	30 June 2019 AED'000	*30 June 2018 AED'000*
Short-term benefits	**248,785**	238,019
Employees' end-of-service benefits	**8,984**	4,308
	257,769	242,327

During the period, the number of key management personnel is 242 (30 June 2018: 258).

During the period, the Company has paid a bonus of AED 7,350 thousands to the non-executive members of the Board of Directors for the year 2018 as approved by the shareholders at the Annual General Meeting of the Company held on 23 April 2019.

During the period, the Group has sold financial assets at FVOCI and recorded a gain of AED 393,011 thousands in other comprehensive income (also refer note 19).

22 GUARANTEES AND CONTINGENCIES

a) Guarantees

1. The Group has issued financial guarantees and letters of credit of AED 134,042 thousands (31 December 2018: AED 237,917 thousands).

2. The Group has provided a financial guarantee of AED 5,000 thousands (31 December 2018: 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 financial guarantee of AED 3,287 thousands (31 December 2018: AED 3,287 thousands) as security for the performance of its contractual obligations.

4. The Group has provided a performance guarantee of AED 6,941,705 thousands (31 December 2018: AED 5,693,327 thousands) to the Real Estate Regulatory Authority (RERA), Dubai for its new projects as per RERA regulations.

5. The Group has provided a corporate guarantee of AED 73,460 thousands (31 December 2018: AED 73,460 thousands) to a commercial bank as security for the guarantees issued by the bank on behalf of the joint venture of the Group.

6. The Group has provided performance guarantees of AED 102,277 thousands (31 December 2018: AED 96,778 thousands) to various government authorities in India for its projects.

7. The Group has provided a letter of credit of USD 5,297 thousands (AED 19,454 thousands) (31 December 2018: AED 18,130 thousands) in Egypt for its project. The bank has a lien of USD 5,297 thousands (AED 19,454 thousands) (31 December 2018: AED 18,130 thousands) (refer note 8) towards this letter of credit.

8. The Group has provided a bank guarantee of EGP 50,000 thousands (AED 11,001 thousands) (31 December 2018: AED 10,253 thousands) to government authority in Egypt for its project. The bank has a lien of EGP 50,000 thousands (AED 11,001 thousands) (31 December 2018: AED 10,253 thousands) (refer note 8) towards this bank guarantee.

9. The Group has provided a financial guarantee of INR 7,131,000 thousands (AED 379,840 thousands) to a company controlled by other promoter group of EMGF. The Group has recorded the financial guarantee contract at its fair value of INR 161,473 thousands (AED 8,601 thousands) (31 December 2018: AED 8,525 thousands) as at reporting date.

22 GUARANTEES AND CONTINGENCIES (continued)

b) Contingencies

1. 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 MGF Land Limited ("EMGF") to terminate certain development and operational management agreements which were entered into between EMGF, 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 EMGF to restrain EMGF from carrying out any activity related to these developments. In addition, there were a number of litigations which were initiated against the Group by third parties on the grounds of irregularities in acquisition and allocation of land.

   The Group, based on legal advice, is of the opinion that all the aforesaid suites filed by APIIC shall be settled amicably by the parties under the Arbitration and Conciliation Act, 1996 of India or as per the Dispute Redressal Mechanism provided under AP Infrastructure Development Enabling Act, 2001 of India. Pending completion of various ongoing legal proceedings related to the above mentioned projects and based on the legal advice received, the management of the Group believes that the allegations/matters raised are contrary to the factual position and hence are not tenable.

2. Emaar Misr for Development S.A.E. ("Emaar Misr"), a subsidiary of the Group incorporated and operating in Egypt, received a request for arbitration initiated by El Nasr Housing and Development Company in connection with Zahraa Al-Mokattam land sales agreement. Management is confident that it has a strong legal position, the arbitration will be decided in its favor and will not have material financial impact on the interim condensed consolidated financial statements of the Group.

3. Emaar MGF Construction Private Limited (EMCPL), a subsidiary of the Group, had developed and constructed the Commonwealth Games Village (CWGV) in India on a PPP model as per Project Development Agreement (PDA) entered with Delhi Development Authority (DDA). After acknowledging the project completion by issuing occupancy certificate, DDA invoked the performance Bank Guarantee (BG) of INR 1,830 million (AED 97 million) on account of Liquidated Damages (LD) and other claims alleging that EMCPL stating that EMCPL had not been able to achieve the time lines as per the terms of PDA. EMCPL contested the invocation of the BG with the High Court, which disposed of the said appeal by forming an Arbitral Tribunal and referred all 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 755 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 770 million) including LD. The above matter is pending before the Arbitral Tribunal.

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

4. Ahluwalia Contracts (India) Limited (the "Contractor") appointed by EMCPL for the construction of the CWGV had filed certain claims which were not accepted by the EMCPL. Consequently, the Contractor invoked the arbitration and filed claims amounting to INR 4,200 million (AED 224 million) relating to the works supposed to have been carried out but not accepted by EMCPL. EMCPL also filed counter claims amounting to INR 11,703 million (AED 623 million) against the Contractor for deficient and defective works, adjustments in billing and payments in line with the contract and also a back to back claim on account of the invocation of the BG as stated above.

   EMCPL 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.

5. A corporate insolvency resolution process ("CIRP") has been initiated against EMGF vide an order of the National Company Law Tribunal ("NCLT") dated 24 January 2019 under the provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC"). Pursuant to the order, the powers of the board of directors of EMGF stands suspended and are exercisable by Interim Resolution Professional ("IRP") appointed by the NCLT. EMGF had thereafter settled the matter with the said customer applicant and necessary appeal to quash the NCLT Order was filed before National Company Law Appellate Tribunal ("NCLAT") and the said insolvency proceedings were stayed by the NCLAT. Aggrieved by the said NCLAT order, another project customer filed an appeal before the Hon'ble Supreme Court. Vide its order dated 29 March 2019, the Hon'ble Supreme Court has set aside the Insolvency Proceedings initiated by NCLT against EMGF and pursuant to the said order, the CIRP also stands terminated on 29 March 2019.

22 GUARANTEES AND CONTINGENCIES (continued)

b) Contingencies (continued)

Further, in separate Writ Petition filed before the Hon'ble Supreme Court challenging the constitutional validity of provisions inserted by the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018, pursuant to its order dated 29 March 2019, the Hon'ble Supreme Court has also directed that there shall be stay of any other insolvency proceedings before the NCLT against EMGF. This Writ Petition will be heard in due course.

23 COMMITMENTS

At 30 June 2019, the Group had commitments of AED 18,869,593 thousands (31 December 2018: AED 17,268,640 thousands) which include project commitments of AED 18,063,883 thousands (31 December 2018: AED 16,606,705 thousands). This represents the value of contracts entered into by the Group including contracts entered into for purchase of plots of land at year end net of invoices received and accruals made at that date.

There were certain claims submitted by contractors relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

Operating lease commitments - Group as lessor

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

	30 June 2019 AED'000	*31 December 2018 AED'000 (Audited)*
Within one year	**3,143,211**	2,863,009
After one year but not more than five years	**6,709,243**	7,122,364
More than five years	**1,549,696**	1,786,020
	11,402,150	11,771,393

24 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade 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.