Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

Emaar Properties PJSC and its Subsidiaries

Consolidated Financial Statements
For the year ended 31 December 2023

Table of Contents

DIRECTORS' REPORT

The Board of Directors of Emaar Properties PJSC (the "Company") has the pleasure in submitting the consolidated statement of financial position of the Company and its Subsidiaries (the "Group") as at 31 December 2023 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2023.

Principal activities

The principal activities of the Group during the year ended 31 December 2023 were property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investment in providers of financial services.

Our performance in 2023

Emaar has shown strong commitment to the development of Dubai's economy and the improvement of our society. Our contributions in all areas have been substantial and effective, driven by steady growth in the real estate market, recovery in travel and tourism, and trust in Emaar's leading brands. Last year, we unveiled a major expansion of our flagship residential development portfolio in the UAE with the introduction of "The Oasis". This visionary project, valued at an astounding AED 73 billion, aims to redefine luxurious living while fostering a greener future within Dubai's dynamic landscape. In 2023, Emaar achieved group property sales of AED 40.3 billion, marking a 15% growth and bolstering our Group revenue backlog from property sales to AED 71.8 billion, including joint ventures.

Furthermore, our diverse recurring revenue portfolio, comprising malls, hospitality, leisure, entertainment, and commercial leasing, witnessed remarkable growth, surpassing AED 9.2 billion in revenue, a surge of over 26% from the previous year. Notably, our flagship asset, the Dubai Mall, welcomed a record 105 million visitors, an increase of over 19% compared to the previous year, making the mall the most visited destination globally in 2023.

The Group recorded a net profit attributable to the owners of the Company of AED 11,629 million for the year ended 31 December 2023.

In accordance with the Articles of Association of the Company and applicable UAE Federal Law, AED 1,163 million is transferred to general reserve from the distributable profit of AED 11,629 million.

The transfer to statutory reserve from the distributable profit has been suspended as the reserve has reached 50% of the paid-up share capital. However, during the previous year, in compliance applicable UAE Federal Law, AED 3,091 million, has been credited to statutory reserve, being the excess of agreed value of the Company's shares over the nominal value per share issued to Dubai Holding Group as part consideration for acquisition of Dubai Creek Harbour LLC by the Company.

The Board of Directors of the Company has proposed a cash dividend of 50% of share capital, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit after considering appropriation to general reserve and proposed dividend (subject to approval of the shareholders at the Annual General Meeting) will be transferred to retained earnings. Total equity attributable to owners of the Company as at 31 December 2023 amount to AED 77,724 million prior to proposed dividend.

DIRECTORS' REPORT (continued)

Outlook for 2024

Looking towards 2024, our strategic brand positioning and robust project pipeline promise sustained growth and success. Our substantial revenue backlog from property sales lays a strong foundation for future growth, reinforced by the robust performance of our recurring revenue businesses. As we move forward, our consistent performance in increasing sales and profitability reflects our strategic focus on developing premium and flourishing communities and destinations. Capitalising on our success, we have recently launched two new destinations in Dubai, namely The Heights Country Club and Grand Club Resort (adjacent to the recently unveiled The Oasis), with a combined development value of AED 96 billion.

We have always been conscious of our responsibility towards the environment and society and have, over the years, taken various initiatives to embed ESG in our operations. We are embarking on a journey to define a comprehensive strategy that underscores our commitment to transforming our business practices for the sustainable future of our planet and the betterment of all our stakeholders.

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 33. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

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

Auditors

KPMG were appointed as external auditors of the Group for the year ended 31 December 2023. The Board of Directors has recommended KPMG as the auditors for 2024 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

Jamal Bin Theniyah
Chairman
Dubai, United Arab Emirates
14 March 2024

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Independent auditors' report

To the Shareholders of Emaar Properties PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emaar Properties PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters (continued)

Revenue recognition on sale of properties and lease rental income

See Note 2.2, 2.4 and 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognizes revenue on sale of properties in accordance with IFRS 15 *"Revenue from Contracts with Customers"* and Lease income in accordance with IFRS 16 *"Leases"*. The Group recognises revenue on sale of properties either at point in time or over time depending on the terms of contracts with customers and the relevant laws and regulations of the jurisdiction in which it has entered into the contract with its customers. Revenue recognition on sale of properties was considered a key audit matter due to following key elements of judgement and estimation involved that warrant additional audit focus: • determining whether the performance obligations are satisfied over time or at a point in time; and • estimation of total costs required to meet performance obligations under the contracts with customers and for performance obligations satisfied over time, recognize revenue in proportion to the extent and upon satisfactory fulfillment of performance obligations. Rental income from leased properties is recognised in accordance with the terms of the lease agreed with the tenants on a straight-line basis from the operating lease commencement date over the period of the lease. The lease agreements may include certain clauses relating to (i) lease income computed based on lessee turnover; and (ii) tenant incentives which may affect the amount of rental income recognized during the year. Considering the inherent risks around the existence and accuracy, rental income from leased properties warrants additional audit focus.	• We have assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with International Financial Reporting Standards ("IFRS"); • Obtained an understanding of the revenue process implemented by the Group; • We have performed test of design and implementation of relevant controls; • On a sample basis, we have assessed the contracts for sale of properties to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under IFRS 15; • On a sample basis, we have assessed the appropriateness of percentage of completion of the construction of properties by reference to costs incurred to date compared to the estimated total costs, where the performance obligation is satisfied over time; • On a sample basis, we have assessed the adequacy of the total estimated cost to complete through the management appointed cost consultant's report, supporting agreements, retrospective evaluation of budgets and other relevant information. We have also evaluated, on a sample basis, the qualification and competence of the management appointed cost consultants; • For costs incurred to date, we have tested, on a sample basis, significant items of cost components by comparing these to the relevant supporting documents including payment certificates to ascertain the existence and accuracy of the costs of work done; • On a sample basis, we tested lease agreements to ensure the existence and accuracy of the revenue recognised during the year and it's compliance with IFRS; and • We assessed the adequacy of the Group's disclosure in relation to the requirements of IFRS 15 and IFRS 16.

Key Audit Matters (continued)

Assessment of net realisable value and recoverable amount ("the value") of development properties and investment properties ("the properties") respectively	
Refer to notes 2.2, 2.4, 13 and 18 to the consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group holds development properties both for completed projects and projects under construction and investment properties (collectively referred to as "the properties"). Determining the value of these properties is a significant judgement area and is underpinned by a number of assumptions. Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Investment properties are measured at cost less accumulated depreciation and impairment if any. The Group engages professionally qualified external valuers to assess the value for a substantial portion of its properties. This process of assessment of the value involves significant judgement in estimating the underlying assumptions to be applied. A combination of global inflationary pressures, higher interest rates and recent geopolitical events have potential for greater volatility in property markets over the short-to-medium term, requiring management to closely monitor the assumptions and its impact on the value. Assessment of the value requires management to make significant estimates and judgements. This coupled with existence of market volatility, warrants specific audit focus in this area as any error in determining the value could have a material impact on the carrying value of the Group's properties in the consolidated financial statements.	• We have evaluated the qualifications and competence of the management appointed external valuer and read the terms of the engagement of the valuers with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; • We involved our real estate valuation specialist, who on a sample basis, assessed valuation methodologies used in the valuation process and challenged assumptions for key estimates of sales price, cost to complete, market rent, future rental income, operating costs, occupancy rate, discount rates, capitalization and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors; • On a sample basis, performed audit procedures to assess whether the source data used for determining the net realisable value are reasonable by comparing it to the underlying supporting information; • We have performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by management; • We have assessed if there are any significant triggers during the audit period that would have a significant impact on the value of the properties; and • We assessed the adequacy of the Group's disclosure in the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021 we report that for the year ended 31 December 2023:

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

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Group has maintained proper books of account;

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

v) as disclosed in note 14 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2023;

vi) note 33 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

Report on Other Legal and Regulatory Requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2023; and

viii) note 6 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2023.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 14 March 2024

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2023

		(US $1.00 = AED 3.673)	
		2023	*2022*
	Note	***AED'000***	*AED'000*
Revenue	*5*	**26,749,821**	24,925,674
Cost of Revenue	*5*	**(9,884,497)**	(12,338,362)
GROSS PROFIT		**16,865,324**	12,587,312
Other operating income		**553,239**	419,885
Other operating expenses		**(228,059)**	(160,038)
Selling, general and administrative expenses	*6*	**(2,785,958)**	(3,521,797)
Depreciation of property, plant and equipment	*17*	**(616,380)**	(577,091)
Depreciation of investment properties	*18*	**(780,383)**	(692,077)
Finance income	*7(a)*	**1,603,570**	1,057,330
Finance costs	*7(b)*	**(1,039,466)**	(981,389)
Other income, net	*8*	**2,508,201**	696,685
Share of results of associates and joint ventures	*16*	**236,975**	214,289
Impairment, net	*2.2*	**(1,255,499)**	(566,101)
PROFIT BEFORE TAX		**15,061,564**	8,477,008
Income tax expense	*9*	**(232,414)**	(338,161)
NET PROFIT FOR THE YEAR		**14,829,150**	8,138,847
ATTRIBUTABLE TO:			
Owners of the Parent		**11,629,238**	6,832,049
Non-controlling interests		**3,199,912**	1,306,798
		14,829,150	8,138,847
Earning per share attributable to the owners of the Parent:			
-basic and diluted earnings per share (AED)	*29*	**1.32**	0.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

		(US $1.00 = AED 3.673)	
	Notes	**2023 AED'000**	2022 AED'000
Net profit for the year		**14,829,150**	8,138,847
Other comprehensive income to be reclassified to income statement in subsequent year:			
Increase in unrealised gains reserve		**5,536**	4,919
Decrease in foreign currency translation reserve		**(995,124)**	(2,436,632)
Net other comprehensive income to be reclassified to income statement in subsequent year		**(989,588)**	(2,431,713)
Other comprehensive income not to be reclassified to income statement in subsequent year:			
Increase in unrealised gains and reserve		**235,259**	309,100
Realised loss on fair value movement through other comprehensive income		**(2,821)**	(386,544)
Net other comprehensive income not to be reclassified to income statement in subsequent year		**232,438**	(77,444)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**14,072,000**	5,629,690
ATTRIBUTABLE TO:			
Owners of the Company		**10,996,070**	4,624,376
Non-controlling interests		**3,075,930**	1,005,314
		14,072,000	5,629,690

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

		(US $1.00 = AED 3.673)	
	Notes	*2023* *AED'000*	*2022* *AED'000*
ASSETS			
Bank and cash balances	*10*	**33,854,912**	18,289,188
Trade and unbilled receivables	*11*	**17,255,072**	22,218,348
Other assets, receivables, deposits, and prepayments	*12*	**6,765,083**	5,766,493
Development properties	*13*	**40,997,595**	42,240,585
Assets classified as held for sale	*4*	**-**	1,029,556
Investments in securities	*14*	**2,010,632**	2,236,840
Loans to associates and joint ventures	*15*	**834,281**	1,043,262
Investment in associates and joint ventures	*16*	**5,629,566**	5,800,926
Property, plant and equipment	*17*	**9,490,932**	9,883,879
Investment properties	*18*	**21,493,515**	22,688,259
Intangible assets	*19*	**219,723**	211,942
Right-of-use assets	*20*	**845,921**	954,851
TOTAL ASSETS		**139,397,232**	132,364,129
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	*21*	**14,975,738**	19,659,764
Advances from customers	*22*	**22,857,576**	19,563,729
Liabilities directly associated with assets classified as held for sale	*4*	**-**	496,256
Retentions payable	*23*	**1,531,601**	1,620,543
Deferred tax payable	*9*	**754,315**	922,804
Interest-bearing loans and borrowings	*24*	**3,098,678**	5,331,227
Sukuk	*25*	**9,171,882**	9,166,684
Provision for employee' end-of-service benefits	*26*	**176,424**	177,044
TOTAL LIABILITIES		**52,566,214**	56,938,051
EQUITY			
Equity attributable to owners of the Company			
Share Capital	*27*	**8,838,790**	8,838,790
Employees' performance share program		**(1,684)**	(1,684)
Reserves	*28*	**22,532,207**	21,999,630
Retained earnings		**46,354,820**	38,161,738
		77,724,133	68,998,474
Non-controlling interests		**9,106,885**	6,427,604
TOTAL EQUITY		**86,831,018**	75,426,078
TOTAL LIABILITIES AND EQUITY		**139,397,232**	132,364,129

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2023.

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

Director

Director

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

(US $1.00 = AED 3.673)

	Attributable to the owners of the Company						
	Share capital AED'000	***Employees' performance share program AED'000***	***Reserves AED'000***	***Retained earnings AED'000***	***Total AED'000***	***Non-controlling interests AED'000***	***Total equity AED'000***
Balance at 1 January 2023	**8,838,790**	**(1,684)**	**21,999,630**	**38,161,738**	**68,998,474**	**6,427,604**	**75,426,078**
Net profit for the year	**-**	**-**	**-**	**11,629,238**	**11,629,238**	**3,199,912**	**14,829,150**
Other comprehensive income for the year	**-**	**-**	**(630,347)**	**(2,821)**	**(633,168)**	**(123,982)**	**(757,150)**
Total comprehensive income for the year	**-**	**-**	**(630,347)**	**11,626,417**	**10,996,070**	**3,075,930**	**14,072,000**
Director's bonus	**-**	**-**	**-**	**(10,350)**	**(10,350)**	**-**	**(10,350)**
Dividend paid to shareholders (refer note 32)	**-**	**-**	**-**	**(2,209,698)**	**(2,209,698)**	**-**	**(2,209,698)**
Dividend and directors' bonus of subsidiaries	**-**	**-**	**-**	**(3,126)**	**(3,126)**	**(413,618)**	**(416,744)**
Movement in non-controlling interest	**-**	**-**	**-**	**-**	**-**	**15,264**	**15,264**
Transfer to reserves (refer note 28)	**-**	**-**	**1,162,924**	**(1,162,924)**	**-**	**-**	**-**
Other movement	**-**	**-**	**-**	**(47,237)**	**(47,237)**	**1,705**	**(45,532)**
Balance as at 31 December 2023	**8,838,790**	**(1,684)**	**22,532,207**	**46,354,820**	**77,724,133**	**9,106,885**	**86,831,018**

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	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 2022	8,179,739	(1,684)	20,046,605	33,468,571	61,693,231	6,502,273	68,195,504
Effect of changes due to restatements	-	-	-	21,406	21,406	(474,983)	(453,577)
Balance as at 1 January 2022 (Restated)	8,179,739	(1,684)	20,046,605	33,489,977	61,714,637	6,027,290	67,741,927
Net profit for the year	-	-	-	6,832,049	6,832,049	1,306,798	8,138,847
Other comprehensive income for the year	-	-	(1,821,129)	(386,544)	(2,207,673)	(301,484)	(2,509,157)
Total comprehensive income for the year	-	-	(1,821,129)	6,445,505	4,624,376	1,005,314	5,629,690
Directors' bonus	-	-	-	(9,199)	(9,199)	-	(9,199)
Dividend paid to shareholders	-	-	-	(1,226,961)	(1,226,961)	-	(1,226,961)
Dividend and directors' bonus of subsidiaries	-	-	-	(7,168)	(7,168)	(605,000)	(612,168)
Transfer to reserves (note 28)	-	-	683,205	(683,205)	-	-	-
Acquisition of DCH (note 2.1, 27 and 28)	659,051	-	3,090,949	-	3,750,000	-	3,750,000
Other movement	-	-	-	152,789	152,789	-	152,789
Balance as at 31 December 2022	8,838,790	(1,684)	21,999,630	38,161,738	68,998,474	6,427,604	75,426,078

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Note	*(US$ 1.00 = AED 3.673)* **2023** ***AED'000***	*2022* *AED'000*
Cash flows from operating activities			
Profit before tax		**15,061,564**	8,477,008
Adjustments for:			
Share of results of associates and joint ventures	*16*	**(236,975)**	(214,289)
Depreciation	*17,18,20*	**1,527,090**	1,393,254
Amortisation of intangible assets	*19*	**3,610**	7,289
Provision for end-of-service benefits, net		**(620)**	10,758
Gain on sale of interest in subsidiary	*8*	**(699,884)**	-
Loss on disposal of property, plant and equipment		**4,991**	1,466
Gain on disposal of investment properties		**-**	(8,325)
Finance costs	*7(b)*	**1,039,466**	981,389
Finance income	*7(a)*	**(1,603,570)**	(1,057,330)
Provision for doubtful receivable and advances	*6*	**61,805**	438,626
Impairment on non-financial assets	*2.2*	**2,011,495**	916,117
Gain on restructuring of an associate	*16*	**-**	(233,406)
Cash from operations before working capital changes:		**17,168,972**	10,712,557
Working capital changes:			
Trade and unbilled receivables		**5,143,446**	(815,719)
Other assets, receivables, deposits and prepayments		**(1,088,384)**	628,264
Development properties		**293,029**	4,949,308
Advances from customers		**3,293,847**	4,137,613
Trade and other payables	*2.2*	**(4,886,261)**	(550,292)
Retentions payable		**(88,942)**	(86,961)
Income tax, net		**(4,460)**	(32,811)
Net cash flows from operating activities		**19,831,247**	18,941,959
Cash flows from investing activities			
Purchase of securities	*14*	**(1,503,112)**	(2,621,800)
Proceeds from disposal of securities		**1,712,995**	3,074,186
Finance income received		**1,298,749**	523,046
Dividends received from associates and joint ventures	*16*	**397,287**	128,770
Repayment of loans to and investments in associates and joint ventures, net		**220,029**	55,624
Amounts incurred on investment properties		**(594,556)**	(442,858)
Proceeds from disposal of investment properties		**-**	109,925
Amounts incurred on property, plant and equipment		**(578,407)**	(960,332)
Proceeds from disposal of property, plant and equipment		**307**	2,357
Deposits maturing after three months (including deposits under lien)		**(7,482,084)**	103,199
Amounts incurred on intangible assets	*19*	**(11,572)**	(3,977)
Acquisition of Dubai Creek Harbour	*2.1*	**-**	(2,500,000)
Proceeds from sale of assets held for sale	*4*	**1,231,190**	-
Net cash flows used in investing activities		**(5,309,174)**	(2,531,860)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the year ended 31 December 2023

	Notes	*(US$ 1.00 = AED 3.673)* **2023** **AED'000**	2022 AED'000
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	*24*	**1,549,777**	10,816,461
Repayment of interest-bearing loans and borrowings	*24*	**(3,751,350)**	(13,961,358)
Dividends paid (including dividends of subsidiaries)		**(2,906,877)**	(1,831,961)
Finance costs paid		**(920,841)**	(809,208)
Directors' bonus paid (including Directors' bonus of subsidiaries)		**(14,250)**	(16,367)
Funds invested by minority shareholders-net		**15,264**	-
Payment of lease liabilities	*20*	**(157,261)**	(167,995)
Net cash flows used in financing activities		**(6,185,538)**	(5,970,428)
Increase in cash and cash equivalents		**8,336,532**	10,439,671
Net foreign exchange difference		**(257,015)**	(358,498)
Cash and cash equivalents at the beginning of the year		**17,545,056**	7,463,883
Cash and cash equivalents at the end of the year	*10*	**25,624,573**	17,545,056

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

1 DOMICILE AND ACTIVITIES

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

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

The consolidated financial statements were authorized for issue on 14 March 2024.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of the UAE Federal Decree Law No. (32) of 2021.

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

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

The preparation of consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Basis of consolidation

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

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

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

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

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

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

If the Group losses control over a subsidiary, it:

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

Details of the Company's significant subsidiaries as at 31 December 2023 are as follows:

Subsidiary	Place of incorporation	Principal activities	Percentage of effective interest
Emaar Development PJSC and its subsidiaries	UAE	Property development and development management	80.16%
Emaar Malls Management LLC and its subsidiaries	UAE	Retail development and management of shopping malls	100.00%
Dubai Creek Harbour LLC and its subsidiaries	UAE	Property development and development management	100.00%
Emaar Hospitality Group LLC	UAE	Providing hospitality services	100.00%
Emaar Hotels & Resorts Group	UAE	Providing hospitality services	100.00%
Emaar Entertainment LLC	UAE	Leisure and entertainment activities	100.00%
Dubai Hills Retail LLC	UAE	Property development and management of leasing	50.00%
Emaar Misr for Development SAE and its subsidiaries	Arab Republic of Egypt ("Egypt")	Property investment and development	88.74%
Emaar India Limited and its subsidiaries	India	Property investment and development	77.01%
Emaar Libadiye Gayrimenkul Gelistirme A.S.	Republic of Turkey ("Turkey")	Property investment and development, development of retail, shopping malls and hospitality assets	100.00%
Emaar Middle East LLC	Kingdom of Saudi Arabia ("KSA")	Property investment and development	100.00%

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

a) During October 2013, the Company and Dubai Holding Group (DH) entered into a joint development agreement (JDA) to develop Dubai Creek Harbour ('DCH'), a residential, retail and commercial real estate development. Pursuant to the JDA, Emaar was to operate and manage the business of DCH.

In 2022, Emaar and DH agreed for the acquisition of the DCH development by Emaar, which was announced on 11 August 2022, for a consideration of AED 7.5 billion, payment of which was as follows:

1. Cash consideration of AED 3,750 million, of which AED 2,500 million was paid on closing of the transaction in December 2022 and balance AED 1,250 million to be paid in a deferred manner over a period of three years of which AED 417 million was paid in the current year (also refer note 21);
2. Issue of 659,050,967 new Emaar shares, determined based on closing share price of AED 5.69 as at 10 August 2022 to settle the balance consideration of AED 3,750 million (shares issued in December 2022).

In addition to the above, balances of AED 7.49 billion, representing receivable and advance against investment, were also considered as purchase consideration and an amount of AED 293 million, representing the impact of discounting of receivable from DCH was reversed as finance income.

The conditions precedent for the aforesaid transaction were satisfied on 8 December 2022 and the Group consolidated DCH with effect from and as at 31 December 2022. The transaction was an asset acquisition as the definition of business is not met against the principles of IFRS 3 *Business Combinations*. The allocation of the aggregate purchase consideration over various financial and non-financial assets acquired and liabilities assumed as part of the acquisition of DCH as at 31 December 2022, is presented below:

	2022
Allocation of purchase consideration	*AED'000*
Non-financial assets	
Development properties	
(including undeveloped land parcels, completed and under-development projects)	9,780,819
Property, plant and equipment	1,187,420
Investment properties	186,433
Non-financial assets – Total (i)	11,154,672
Cash and cash equivalent – (ii)	2,362,109
Other financial assets – net (iii)	1,476,000
Aggregate purchase consideration (i + ii + iii)	14,992,781

The allocation of purchase consideration to identifiable assets and liabilities was based on relative fair values at the date of acquisition, the valuation approach is detailed in notes 13, 17 and 18.

Associates and joint ventures
Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies even if the shareholding is 50% or more. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities even if the shareholding is 50% or more.

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

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

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

Judgments

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

Timing of satisfaction of performance obligations
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. For some geographies 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. The title will be transferred to the customer only upon 100% collection, resulting in a low risk of default and loss thereof.

Transfer of real estate assets from property, plant and equipment to development properties
The Group sells real estate assets in its ordinary course of business. When the real estate assets which were previously classified as property, plant and equipment are identified for sale in the ordinary course of business, then the assets are transferred to development properties at their carrying value at the date of identification. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15.

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

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

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 owned by the Group are to be classified as part of property, plant and equipment rather than investment properties since the Group also operates these assets.

Operating lease–- 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.

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

Hyperinflation
Turkey became a hyperinflationary economy in 2022. Management have carried out a detailed assessment of the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies and noted that there is no impact of applying IAS 29 on its operations in Turkey, as the functional and presentation currency of the subsidiaries in Turkey is US Dollars.

Estimations and assumptions

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

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

Useful lives of property, plant and equipment, investment properties and intangible assets
The Group's management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation / amortisation method to ensure that the method and period of depreciation / amortisation are consistent with the expected pattern of economic benefits from these assets.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Recognition of forfeiture income from sales cancellations
Upon termination or cancellation of contracts with customers, amounts received from customers become refundable subject to forfeiture clauses contained in the original sale contract documents and as per local real estate regulations. Forfeited amounts are carried as liability in the consolidated statement of financial position upon cancellation/ termination of the contract. Amounts forfeited on cancelled/terminated property units (net of customer refunds, where applicable) are subsequently recognised in the consolidated income statement based on management's judgment on whether the Group expects any future / continuing association with the erstwhile customer whose amounts are being forfeited.

Measurement of progress when revenue is recognised over time
The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

Cost to complete the projects and Project cost accruals
The Group estimates the cost to complete the projects and project cost accruals in order to determine the cost attributable to revenue being recognised. These estimates include the value attributable to work done till date, 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.

During the current year, management has assessed the project accruals of certain projects and accordingly has written back AED 2,265 million of project cost accruals which are fully completed and wherein final settlement is either obtained or management estimates no further contractor claims. Additionally, due to revisions in the master plan of a project which were finalised in the current year, management has written back accruals related to infrastructure costs amounting to AED 838 million. Also refer note 5 and note 13.

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.

Considering continued higher inflationary environment and currency devaluation in one of the Company's international operations, during the current year management has reassessed value in use of investment property and property, plant & equipment thereon and have recorded a net impairment charge of AED 1,109 million in investment property and AED 146 million on property, plant & equipment. The estimate of value in use for the recoverable amount was determined using a pre-tax discount rate of 16%, a terminal yield of 7% and growth rate (rent increase rate) for Turkey is 6%.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Impairment of non-financial assets (continued)
Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses. During the current year, an impairment of AED 756 million (*2022: AED 276 million*) is recorded for certain land parcels in few international locations where estimated net realisable value was lower than their carrying value. *(refer note 5 and 13)*

Fair value measurement
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.

The external valuer report on the valuation of the Group's development properties has drawn attention to the fact that a combination of global inflationary pressures, higher interest rates and recent geopolitical events have heightened the potential for greater volatility in property markets over the short-to-medium term, requiring management to closely monitor the valuation and track how market participants respond to current market volatility.

Management has critically assessed asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported. Management will continue to closely monitor the impact of this evolving situation to assess its impact to the Group, if any.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following new or amended standards that are adopted in annual periods beginning on 1 January 2023:

(a) New standards, interpretations and amendments adopted by the Group Effective date

Definition of Accounting Estimate, Amendments to IAS 8	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 ad IFRS Practice Statement 2)*	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
International tax reform – Pillar Two Model Rule – Amendments to IAS 12)	23 May 2023

* The amendments to IAS 1 and IFRS Practice Statement 2 require the disclosure of material rather than significant accounting policies. The amendments did not result in any changes to the accounting polices themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.
The other amendments or improvements has no impact on the consolidated financial statements of the group.

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

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

Forthcoming requirements Effective date

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current liability with covenants – Amendments to IAS 1 and Classification of Liabilities as Current and Non-current (Amendments to IAS 1) 1 January 2024	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures*	1 January 2024
Sale or Contribution of Assets between an Investor its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely
Supplier Finance Arrangements – Amendments to IAS 7 & IFRS 7	1 January 2024
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

**effective upon adoption by applicable regulatory authority*

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

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.

Revenue recognition

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

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

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

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

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

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

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

Revenue is recognised in the consolidated income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

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

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. Revenue is recognised overtime.

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

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

Assets held for sale

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

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

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

Borrowing costs

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

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax

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

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

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

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

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

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

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

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

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

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

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

UAE Federal Decree-Law No (47) of 2022 on the Taxation of Corporations and Businesses:
On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (‘the CT Law’) to enact a Federal corporate tax (‘CT’) regime in the UAE. The CT Law will be effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply and accordingly, the CT Law is now considered to be substantively enacted. For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 *Income Taxes,* the Group has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that deferred tax implications are not material.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Global Minimum Top-up Tax

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws.

As at 31 December 2023, the jurisdiction in which the Group operates has not enacted or substantively enacted the tax legislation related to the top-up tax. Management is closely monitoring the progress of the legislative process and as at 31 December 2023, the Group did not have sufficient information to determine the potential quantitative impact

Property, plant and equipment

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

Leasehold improvement	2 – 15 years
Sales centres (included in land and buildings)	1 -10 years
Buildings	10 – 45 years
Computers and office equipment	2 – 5 years
Plant, machinery and heavy equipment	3 – 20 years
Motor vehicle	3 – 5 years
Furniture and fixture	2 – 10 years
Leisure, entertainment and other asset	2 – 25 years

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

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated income statement. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term up to 35 years. Right-of-use assets are subject to impairment.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Investment properties

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

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

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

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

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

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

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

Intangible assets

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

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

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

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

Customers relationship	5 years
Software	3 years

Goodwill and Brand is not amortised.

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

2.4 SUMMARY OF MATERIAL 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 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.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

The management reviews the carrying values of the development properties on an annual basis.

Inventories

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

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

Investment in associates and joint ventures

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

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

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

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

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

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

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

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

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

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

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

Debt instruments
Debt instruments are also measured at fair value through other comprehensive income (OCI) unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding facilities payable on demand.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

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

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

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

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

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

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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

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

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

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

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

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

Impairment losses are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

Trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

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

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

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

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

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

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

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

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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

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

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

If the Company acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 3 because it cannot meet the definition of a business combination. Such transactions are accounted for as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. They do not give rise to goodwill or a gain on a bargain purchase.

In cases when an entity acquires a group of assets that does not constitute a business, and the sum of the individual fair values of the identifiable asset and liabilities differs from the transaction price, the Group may include identifiable assets and liabilities initially measured both at cost and at an amount other than cost.

The Company may acquire a group of assets and assume liabilities in an asset acquisition that require valuation reports to complete the allocation of cost. The measurement and allocation of cost in an asset acquisition are completed at the date of recognition of the assets acquired and liabilities assumed, if there are any. Unlike for a business combination, there is no measurement period for an asset acquisition. This is regardless of the size or complexity of the acquisition.

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

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

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

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

End-of-service benefits

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

End-of-service benefits (continued)

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

Provisions

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

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

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

Foreign currency translations

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

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

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

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

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

Fair value measurement

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

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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 consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

3. SEGMENT INFORMATION

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

Business segments

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

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

3 SEGMENT INFORMATION (continued)

Geographic segments

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

Business segments
The following tables include revenue, profit and certain assets and liabilities information regarding business segments as at and for the years ended 31 December 2023 and 2022.

	Real estate AED'000	Leasing, retail and related activities AED'000	Hospitality AED'000	Others AED'000	Total AED'000
2023:					
Revenue					
Revenue from external customer					
- Over a period of time	14,679,906	5,674,482	734,678	-	21,089,066
- Point in time	3,153,440	1,450,445	1,056,870	-	5,660,755
	17,833,346	7,124,927	1,791,548	-	26,749,821
Results					
Profit before tax before impairment, (a) and (b)	10,023,797	5,782,358	755,601	517,088	17,078,844
Impairment, net	-	(1,109,246)	(146,253)	-	(1,255,499)
(a) Unallocated selling, general and administrative expenses					(836,188)
(b) Unallocated finance income, net					74,407
Profit before tax for the year					15,061,564
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	150,446	647,807	312,234	64,887	1,175,374
Depreciation (Property, plant and equipment, right-of-use assets and investment properties)	235,872	936,554	269,428	85,236	1,527,090
Finance costs	837,160	150,804	50,428	1,074	1,039,466
Finance income	1,559,775	28,492	11,212	4,091	1,603,570
2023:					
Assets and liabilities:					
Investments in associates and joint ventures	3,167,399	160,412	579,814	1,721,941	5,629,566
Other segment assets	98,210,360	27,294,018	6,471,576	1,791,712	133,767,666
Total segment assets	101,377,759	27,454,430	7,051,390	3,513,653	139,397,232
Total segment liabilities	43,618,981	6,032,380	2,274,000	640,853	52,566,214

3 SEGMENT INFORMATION (continued)

Geographic segments (continued)

Business segments (continued)

	Real estate AED'000	*Leasing, retail and related activities AED'000*	*Hospitality AED'000*	*Others AED'000*	*Total AED'000*
2022:					
Revenue					
Revenue from external customers					
- Over a period of time	11,564,854	4,317,473	589,497	-	16,471,824
- Point in time	4,703,761	2,780,313	969,776	-	8,453,850
	16,268,615	7,097,786	1,559,273	-	24,925,674
Results					
Profit before tax before impairment / write back, (a) and (b)	6,840,378	3,252,657	604,471	470,496	11,168,002
(Impairment) / write back	(1,290,952)	23,304	(406)	-	(1,268,054)
(a) Unallocated selling, general and administrative expenses					(1,848,715)
(b) Unallocated finance income, net					425,775
Profit before tax for the year					8,477,008
Assets and liabilities:					
Investments in associates and joint Ventures	3,422,638	180,204	533,878	1,664,206	5,800,926
Other segment assets	87,586,525	30,090,631	6,962,305	1,923,742	126,563,203
Total segment assets	91,009,163	30,270,835	7,496,183	3,587,948	132,364,129
Segment liabilities	47,023,161	6,893,665	2,257,995	763,230	56,938,051
Other segment information					
Capital expenditure (property, plant and equipment, and investment properties)	1,140,145	991,960	667,597	77,079	2,876,781
Depreciation (property, plant and equipment, investment properties and right-of-use assets)	258,488	874,299	196,431	64,036	1,393,254
Finance costs	771,663	158,563	50,419	744	981,389
Finance income	1,045,056	3,885	7,607	782	1,057,330

3 SEGMENT INFORMATION (continued)

Geographic segments (continued)

Business segments (continued)

Geographic segments

The following tables include revenue and certain asset information regarding geographic segments as at and for the years ended 31 December 2023 and 2022.

2023:	*Domestic AED'000*	*International AED'000*	*Total AED'000*
Revenue			
Revenue from external customers			
- Over a period of time	**20,758,253**	**330,813**	**21,089,066**
- Point in time	**2,266,967**	**3,393,788**	**5,660,755**
	23,025,220	**3,724,601**	**26,749,821**
Assets			
Right-of-use	**560,015**	**285,906**	**845,921**
Investments in associates and joint ventures	**3,921,959**	**1,707,607**	**5,629,566**
Other segment assets	**109,412,463**	**23,509,282**	**132,921,745**
Total assets	**113,894,437**	**25,502,795**	**139,397,232**
Total liabilities	**40,537,556**	**12,028,658**	**52,566,214**
Other segment information			
Capital expenditure			
(property, plant and equipment and investment properties)	**799,371**	**376,003**	**1,175,374**
2022:			
Revenue			
Revenue from external customers			
- Over a period of time	16,103,590	368,234	16,471,824
- Point in time	2,936,154	5,517,696	8,453,850
	19,039,744	5,885,930	24,925,674
Assets			
Right-of-use	633,749	321,102	954,851
Investments in associates and joint ventures	3,955,362	1,845,564	5,800,926
Other segment assets	98,102,136	27,506,216	125,608,352
Total assets	102,691,247	29,672,882	132,364,129
Total Liabilities	43,089,568	13,848,483	56,938,051
Other segment information			
Capital expenditure (i)			
(property, plant and equipment and investment properties)	2,409,640	467,141	2,876,781

4. SALE OF A SUBSIDIARY

The shareholders of the Company in the general meeting held on 21 September 2022 had approved to sell the entire share capital of a wholly owned subsidiary of the Group, Namshi Holding Limited ('Namshi') to Noon AD Holdings Limited ("Noon"), a related party of the Group, for a cash consideration of AED 1,231,190 thousand (US$ 335,200 thousand). The transaction completion was subject to satisfactory completion of certain conditions precedent, which were not satisfied as at 31 December 2022. Accordingly, the assets and liabilities pertaining to Namshi as at 31 December 2022 were classified as held for sale and measured at lower of their carrying amount and fair value, less cost to sell.

Conditions precedent for transaction completion were satisfactorily completed during the current period on 12 February 2023 and the ownership of Namshi was transferred to Noon. Accordingly, the Group recorded a gain of AED 699,884 thousand on sale of its investment in Namshi.

The major classes of assets and liabilities (after Group elimination) are as follows:

	12 February 2023 AED'000 (Unaudited)	*31 December 2022 AED'000*
Assets		
Bank balances and cash	**29,865**	46,359
Trade and unbilled receivables	**97,500**	65,081
Other assets, receivables, deposits and prepayments	**520,751**	380,977
Property, plant and equipment	**4,087**	4,160
Intangible assets	**529,312**	529,312
Right-of-use assets	**1,776**	3,667
Total assets	**1,183,291**	1,029,556

	12 February 2023 AED'000 (Unaudited)	*31 December 2022 AED'000*
Liabilities		
Trade and other payables	**582,771**	418,873
Advances from customers	**20,915**	27,166
Interest-bearing loans and borrowings	**40,000**	42,065
Provision for employees' end-of-service benefits	**8,299**	8,152
Total liabilities	**651,985**	496,256
Net assets to be transferred/ to be transferred	**531,306**	533,300

Consideration received in cash	**1,231,190**
Cash and cash equivalents disposed of	**(29,865)**
Net cash inflow	**1,201,325**

Gain on sale of interest in Namshi

	12 February 2023 AED'000
Sales consideration	**1,231,190**
Less: Net asset transferred	**(531,306)**
Gain on sale of Namshi	**699,884**

5. REVENUE AND COST OF REVENUE

	2023 *AED'000*	*2022* *AED'000*
Revenue:		
Revenue from real-estate		
Sale of residential units (net) (also, refer note 30 (b)(3))	**16,526,037**	13,244,127
Sale of commercial units, plots of land and others	**1,307,309**	3,024,488
Revenue from hospitality	**1,791,548**	1,559,273
Revenue from leased properties, retail and related income	**7,124,927**	7,097,786
	26,749,821	24,925,674

Trade and unbilled receivables are included in note 11. Further, revenue comprises of income recognized in accordance with:

Revenue from contract with customers (IFRS 15)	**21,467,709**	21,001,612
Leases (IFRS 16)	**5,282,112**	3,924,062
	26,749,821	24,925,674

Cost of revenue:		
Cost of revenue from real estate (refer note 2.2)		
Cost of residential units	**6,749,139**	7,922,363
Cost of commercial units, plots of land and others	**727,031**	1,361,548
Write down of development properties (refer note 2.2 and 13)	**755,997**	275,726
Operating cost of hospitality	**777,246**	719,363
Operating cost of leased properties, retail and related activities	**875,084**	2,059,362
	9,884,497	12,338,362

6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2023 *AED'000*	*2022* *AED'000*
Sales and marketing expenses	**824,841**	1,219,663
Payroll and related expenses	**712,490**	709,822
Property management expenses	**352,002**	306,268
Depreciation of right-of-use assets (Note 20)	**130,327**	124,086
Provision for doubtful receivables and advances	**61,805**	438,626
Donations	**53,932**	61,041
Other expenses	**650,561**	662,291
	2,785,958	3,521,797

7(a) FINANCE INCOME

	2023	*2022*
	AED'000	*AED'000*
Finance income from bank deposits and securities	**1,352,657**	412,450
Other finance income (i)	**250,913**	644,880
	1,603,570	1,057,330

(i) Other finance income of 2022 includes an amount of AED 292,592 thousands, representing the impact of discounting of expected cashflows on receivables from DCH being reversed on its acquisition. (also refer to note 2.1)

7(b) FINANCE COSTS

	2023	*2022*
	AED'000	*AED'000*
Finance costs on borrowings	**668,129**	716,789
Other finance costs (i) and note 33	**371,337**	264,600
	1,039,466	981,389

(i) During the year, the Group recorded finance cost on unwinding of long-term payables amounting to AED 118,738 thousands *(2022: AED 131,878 thousands)*.

8 OTHER INCOME, net

	2023	*2022*
	AED'000	*AED'000*
Forfeiture income from sales cancellations, net (note 22)	**710,058**	-
Gain on sale of interest in a subsidiary (note 4)	**699,884**	-
Foreign currency translation gain, net	**239,263**	147,565
Gain on dilution of interest in associate (note 16)	**-**	233,406
Others*	**858,996**	315,714
	2,508,201	696,685

*Primarily comprising of write back of provisions, fees for contract termination and administrative fees charged to customers.

9 INCOME TAX

	2023	*2022*
	AED'000	*AED'000*
Consolidated income statement		
Current income tax expenses	**(239,888)**	(354,800)
Deferred tax credit	**7,474**	16,639
	(232,414)	(338,161)

9 INCOME TAX (continued)

	2023	*2022*
	AED'000	*AED'000*
Consolidated statement of financial position		
Income tax payable balance at the beginning of the year	**242,728**	275,539
Charge for the year, net	**239,888**	354,800
Paid during the year / other adjustment	**(244,348)**	(387,611)
Income tax payable balance at the end of the year (note 21)	**238,268**	242,728
Net deferred tax payable balance at the beginning of the year	**742,386**	869,793
Credit for the year	**(7,474)**	(16,639)
Other movements, net	**(8,378)**	(110,768)
Net deferred tax payable balance at the end of the year	**726,534**	742,386
Disclosed as:		
Deferred tax payable	**754,315**	922,804
Deferred tax assets (note 12)	**(27,781)**	(180,418)
Net deferred tax payable	**726,534**	742,386

Deferred tax assets and payable mainly comprises of temporary timing differences. In the current year, deferred tax assets decreased on the account of reversing the deferred tax asset created previously for carried forward losses of Emaar Turkey.
Deferred tax liabilities were recognised in prior years on account of the fair value gain on India assets which were decreased during the current year on account of the impairment on non-financial assets.

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

	2023	*2022*
	AED'000	*AED'000*
Profit before tax	**15,061,564**	8,477,008
Profit not subject to tax, net	**(16,102,974)**	(7,539,755)
Accounting profit subject to income tax, net	**(1,041,410)**	937,253
Accounting profit subject to income tax (excluding impairment / write down)	**380,785**	1,059,575
Income tax expense	**(232,414)**	(338,161)
Less: Derecognition of previously recognised deductible temporary differences	**146,434**	-
Net income tax charge for the year	**(85,980)**	(338,161)
Effective tax rate	**22.58%**	31.91%

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

10 BANK AND CASH BALANCES

	2023	*2022*
	AED'000	*AED'000*
Cash in hand	**9,277**	23,809
Current and call bank deposit accounts	**21,698,645**	15,635,134
Fixed deposits with original maturity of three months or less	**3,916,651**	1,881,990
Total	**25,624,573**	17,540,933
Deposits under lien (note 30)	**235,572**	200,070
Fixed deposits with original maturities of three months or more, and restricted cash	**7,994,767**	548,185
	33,854,912	18,289,188
Bank balances and cash located:		
Within UAE	**31,877,814**	16,243,702
Outside UAE	**1,977,098**	2,045,486
	33,854,912	18,289,188
Bank balances and cash are denominated in the following currencies:		
United Arab Emirates Dirham (AED)	**32,051,528**	16,417,649
United States Dollar (USD)	**1,232,400**	1,120,684
Indian Rupee (INR)	**372,748**	316,953
Saudi Riyal (SAR)	**62,540**	88,594
Egyptian Pound (EGP)	**24,437**	124,381
Other currencies	**111,259**	220,927
	33,854,912	18,289,188

As at 31 December 2023, cash and cash equivalent amount to AED 25,624,573 thousand (*2022: AED 17,545,056 thousand including cash held by entity under held for sales of AED 46,359 thousand)* (refer note 4) which is net of facilities obtained from various commercial banks and repayable on demand. Also refer note 24.

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

As at the reporting date, bank and cash balances include AED 19,125,005 thousand (*31 December 2022: AED 12,747,693 thousands*) representing advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

11 TRADE AND UNBILLED RECEIVABLES

	2023	*2022*
	AED'000	*AED'000*
Trade receivables		
Amounts receivable within 12 months, net	**1,528,964**	1,297,810
Amounts receivable after 12 months, net	**224,011**	377,822
	1,752,975	1,675,632
Unbilled receivables		
Unbilled receivables within 12 months, net	**6,937,948**	8,773,182
Unbilled receivables after 12 months, net	**8,564,149**	11,769,534
	15,502,097	20,542,716
Total trade and unbilled receivables	**17,255,072**	22,218,348

The above receivables are net of AED 528,048 thousands (*2022: AED 476,399 thousands*) relating to provision for doubtful debts. All other receivables are considered recoverable in full**.**

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

	2023	*2022*
	AED'000	*AED'000*
Balance at the beginning of the year	**476,399**	498,482
Provision made during the year	**53,658**	292
Reversed during the year	**(2,009)**	(22,375)
Balance at the end of the year	**528,048**	476,399

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

			Past due			
	Total AED'000	***Neither past due nor impaired AED'000***	***Less than 30 days AED'000***	***Between 30 to 60 days AED'000***	***Between 60 to 90 days AED'000***	***More than 90 days AED'000***
2023	**17,255,072**	**15,500,097**	**823,392**	**230,910**	**83,300**	**617,373**
2022	22,218,348	20,542,716	742,494	172,665	66,498	693,975

Refer note 34(a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

12 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 AED'000	*2022 AED'000*
Advances to contractors and others (i)	**2,011,530**	1,395,289
Deferred sales commission (ii)	**1,762,941**	1,468,646
Receivables from Communities Owner Associations	**460,764**	389,544
Value added tax recoverable (note 30(b))	**438,309**	367,696
Recoverable from non-controlling interests, net of provision	**296,620**	298,584
Prepayments	**136,628**	121,896
Inventory – Hospitality and Retail	**62,299**	63,800
Deferred tax assets (note 9)	**27,781**	180,418
Other receivables and deposits	**1,568,211**	1,480,620
	6,765,083	5,766,493
Other assets, receivables, deposits and prepayments maturity profile:		
Within 12 months	**6,413,505**	5,201,171
After 12 months	**351,578**	565,322
	6,765,083	5,766,493

(i) Advances paid to contractors at the commencement of works are adjusted against progress billings issued by the contractors throughout the project construction period.

(ii) Sales commission incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations where applicable.

13 DEVELOPMENT PROPERTIES

	2023 AED'000	*2022 AED'000*
Balance at the beginning of the year	**42,240,585**	37,740,746
Effect of restatement	**-**	(51,450)
Balance at the beginning of the year	**42,240,585**	37,689,296
Add: Costs incurred during the year	**11,427,899**	7,961,537
Add: Acquisition of DCH (note 2.1)	**-**	9,780,819
Less: Costs transferred to cost of revenue during the year*	**(10,579,301)**	(9,283,911)
Less: Costs transferred to investment properties (note 18)**	**(193,965)**	(4,496)
Less: Write down (note 5)	**(755,997)**	(275,726)
Less: Foreign currency translation differences	**(1,141,626)**	(3,626,934)
Balance at the end of the year	**40,997,595**	42,240,585

* Gross of write back related to project cost and infrastructure cost accrual (refer note 2.2)

**The Group has transferred certain costs to investment properties based on the change in actual use of such developments.

	2023 AED'000	*2022 AED'000*
Development properties located:		
Within UAE	**28,609,191**	27,761,940
Outside UAE	**12,388,404**	14,478,645
	40,997,595	42,240,585

13 DEVELOPMENT PROPERTIES (continued)

The fair value of the development properties as at the reporting date is AED 101,272,383 thousands (*2022: AED 73,758,969 thousands*).

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

During the year, an amount of AED 110,879 thousands (*2022: AED 25,190 thousands*) was capitalised as cost of borrowings for the construction of development properties.

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

	Total AED'000	***Level 1 AED'000***	***Level 2 AED'000***	***Level 3 AED'000***
2023	**101,272,383**	**-**	**-**	**101,272,383**
2022	73,758,969	-	-	73,758,969

14 INVESTMENTS IN SECURITIES

	2023 AED'000	*2022 AED'000*
Financial assets at fair value through other comprehensive income (i)	**919,203**	725,517
Financial assets at fair value through profit and loss	**257,254**	212,683
Financial assets at amortised cost	**834,175**	1,298,640
	2,010,632	2,236,840
Investments in securities:		
Within UAE	**1,092,695**	866,145
Outside UAE	**917,937**	1,370,695
	2,010,632	2,236,840

(i) Financial assets at fair value through other comprehensive income include a contingent convertible instrument at fair value of AED 5,084 thousands (*2022: AED 5,349 thousands*) as well as funds managed by an external fund manager. Equity investments are in quoted, unquoted and index linked securities.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the 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***
2023	**1,176,457**	**198,585**	**945,721**	**32,151**
2022	938,200	105,640	779,943	52,617

14 INVESTMENTS IN SECURITIES (continued)

Valuations for Level 2 investments in securities have been derived by determining their redemption value which is generally net asset value per share of the investee companies. Significant unobservable inputs include adjustable market multiples, which would increase the fair value when higher. There were no transfers made between Level 1 and Level 2 during the year.

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

	2023	*2022*
	AED'000	*AED'000*
Balance at 1 January	**52,617**	29,223
Add: Additions during the year	**-**	23,394
Less: Disposals during the year	**(20,466)**	-
Balance at 31 December	**32,151**	52,617

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

During the year, the Group purchased investments in securities and deposits of AED 1,503,112 thousands (*2022: AED 2,621,800 thousands*), this includes investment in funds and equity instruments of AED 28,959 thousands *(2022: AED 88,160 thousands*).

15 LOANS TO ASSOCIATES AND JOINT VENTURES

	2023	*2022*
	AED'000	*AED'000*
Emaar Dubai South DWC LLC (i)	**688,815**	838,069
Amlak Finance PJSC (ii)	**40,480**	46,141
Other associates and joint ventures	**104,986**	159,052
	834,281	1,043,262

Other than (ii) below, loans to associates and joint ventures are unsecured, repayable on demand / as per the terms of the agreement and do not carry any interest.

(i) This includes AED 631,700 thousands (*2022: AED 769,483 thousands*) which is expected to be recovered after 12 months from the reporting date.

(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.

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2023	*2022*
	AED'000	*AED'000*
Carrying value of investments in associates and joint ventures:		
Emaar, The Economic City (Saudi Joint Stock Company) - quoted* (i)	**1,501,361**	1,631,561
Amlak Finance PJSC - quoted * (ii)	**775,294**	710,481
Emaar Dubai South DWC LLC	**502,658**	405,578
Downtown DCP LLC *	**485,969**	497,809
DWTC Emaar LLC	**358,773**	332,781
Turner International Middle East Ltd	**267,799**	265,777
EII Capital P.S.C. (formerly known as "Emaar Industries and Investments (Pvt) JSC") *	**130,641**	129,508
Old Town Views LLC	**24,510**	284,780
Other associates and joint ventures	**1,582,561**	1,542,651
	5,629,566	5,800,926

* Represents Group's investment in associates.

(i) (a) The market value of shares held in Emaar, The Economic City ("EEC") (quoted on the Saudi Stock Exchange - Tadawul) as at 31 December 2023 was AED 2,024,757 thousands (*31 December 2022: AED 2,119,558 thousands*). (b) Includes gain of AED 233,406 thousands resulting from restructuring at Emaar, The Economic City, which is recognized as part of other income during 2022 (refer note 8).

(ii) The market value of shares held in Amlak Finance PJSC ("Amlak") (quoted on the Dubai Financial Market) as at 31 December 2023 was AED 580,608 thousands (*31 December 2022: AED 447,176 thousands*).

As at 31 December, the Group has the following effective ownership interest in its significant associates and joint ventures:

		Ownership	
	Country	***2023***	*2022*
Emaar, The Economic City (Saudi Joint Stock Company)	KSA	**22.95%**	22.95%
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%
EII Capital P.S.C.	UAE	**40.00%**	40.00%
Emaar Dubai South DWC LLC	UAE	**50.00%**	50.00%
DWTC Emaar LLC	UAE	**50.00%**	50.00%
Downtown DCP LLC	UAE	**20.00%**	20.00%
Old Town Views LLC	UAE	**61.25%**	61.25%
Rove Hospitality LLC	UAE	**50.00%**	50.00%
Eagle Hills for investment and project management	EGYPT	**25.00%**	-

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2023 based on the amounts reported in Group's consolidated financial statement:

	Emaar, The Economic City (Saudi Joint Stock Company) quoted AED'000*	*EII Capital P.S.C. AED'000*	*Emaar Dubai South DWC LLC AED'000*	*Turner International Middle East Ltd AED'000*	*Old Town Views LLC AED'000*	*Downtown DCP LLC AED'000*	*Others AED'000*	*Total AED'000*
Revenue	**1,040,242**	**377,271**	**793,992**	**159,401**	**24,993**	**429,756**	**1,294,802**	**4,120,457**
Profit / (loss) before tax	**(466,355)**	**29,488**	**192,710**	**78,976**	**44,496**	**208,933**	**335,675**	**423,923**
Income tax expense	**(101,076)**	**(6,956)**	**-**	**(1,331)**	**-**	**-**	**-**	**(109,363)**
Profit / (loss) for the year	**(567,431)**	**22,532**	**192,710**	**77,645**	**44,496**	**208,933**	**335,675**	**314,560**
Other comprehensive income	**24,114**	**-**	**-**	**-**	**-**	**-**	**(96,234)**	**(72,120)**
Total comprehensive income for the year	**(543,317)**	**22,532**	**192,710**	**77,645**	**44,496**	**208,933**	**239,441**	**242,440**
Profit / (loss) attributable to owners of the Company	**(567,431)**	**15,636**	**192,710**	**69,085**	**44,496**	**208,933**	**335,674**	**299,103**
Group's share of profit / (loss) for the year	**(130,200)**	**6,255**	**96,355**	**44,906**	**27,254**	**35,040**	**157,365**	**236,975**
Dividend received during the year	**-**	**5,000**	**-**	**42,883**	**287,524**	**46,880**	**15,000**	**397,287**

* The Group has applied the equity method using latest available financial information as at 30 September 2023.

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

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2022 based on the amounts reported in Group's consolidated financial statement:

	Emaar, The Economic City (Saudi Joint Stock Company) quoted AED'000*	*EII Capital P.S.C AED'000*	*Emaar Dubai South DWC LLC AED'000*	*Turner International Middle East Ltd AED'000*	*Old Town Views LLC AED'000*	*Downtown DCP LLC AED'000*	*Others AED'000*	*Total AED'000*
Revenue	333,995	380,412	868,355	148,960	215,386	382,010	1,200,148	3,529,266
Profit / (loss) before tax	(860,893)	(24,674)	214,064	79,739	109,942	155,112	284,192	(42,518)
Income tax expense	(28,868)	-	-	(1,197)	-	-	-	(30,065)
Profit / (loss) for the year	(889,761)	(24,674)	214,064	78,542	109,942	155,112	284,192	(72,583)
Other comprehensive income	38,644	-	-	-	-	-	-	38,644
Total comprehensive income for the year	(851,117)	(24,674)	214,064	78,542	109,942	155,112	284,192	(33,939)
Profit / (loss) attributable to owners of the Company	(889,761)	(28,224)	214,064	70,135	109,942	155,112	284,192	(84,540)
Group's share of profit / (loss) for the year	(204,162)	(11,290)	107,032	45,587	67,340	31,022	178,760	214,289
Dividend received during the year	-	7,500	-	45,770	-	48,000	27,500	128,770

* The Group has applied the equity method using latest available financial information as at 30 September 2022.

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

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2023 based on the amounts reported in Group's consolidated financial statement:

	Emaar, The Economic City (Saudi Joint Stock Company) quoted AED'000*	*EII Capital P.S.C. AED'000*	*Emaar Dubai South DWC LLC AED'000*	*Turner International Middle East Ltd AED'000*	*Old Town Views LLC AED'000*	*Downtown DCP LLC AED'000*	*Others AED'000*	*Total AED'000*
Total assets (including cash and cash equivalents of AED 2,152,023 thousands)	**15,264,223**	**675,829**	**2,335,737**	**464,476**	**101,745**	**798,344**	**9,219,992**	**28,860,346**
Total liabilities	**8,696,960**	**349,227**	**1,330,422**	**224,219**	**61,730**	**55,414**	**3,694,324**	**14,412,296**
Net assets	**6,567,263**	**326,602**	**1,005,315**	**240,257**	**40,015**	**742,930**	**5,525,668**	**14,448,050**
Group's share of net assets	**1,506,897**	**130,641**	**148,586**	**502,657**	**156,164**	**24,510**	**2,669,601**	**5,139,056**
Goodwill / intangible assets								**582,079**
Provision for impairment								**(91,569)**
								5,629,566

* The Group has applied the equity method using latest available financial information as at 30 September 2023.

As at 31 December 2023, the Group's share of associates and joint ventures contingent liabilities are AED 79,097 thousands (*2022: AED 144,210 thousands*) and commitments are AED 1,815,958 thousands (*2022: AED 1,492,543 thousands*).

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2022 based on the amounts reported in Group's consolidated financial statement:

	Emaar, The Economic City (Saudi Joint Stock Company) quoted AED'000*	*EII Capital PSC AED'000*	*Emaar Dubai South DWC LLC AED'000*	*Turner International Middle East Ltd AED'000*	*Old Town Views LLC AED'000*	*Downtown DCP LLC AED'000*	*Others AED'000*	*Total AED'000*
Total assets (including cash and cash equivalents of AED 1,867,748 thousands)	14,720,237	679,211	2,198,309	477,107	674,536	861,862	9,487,678	29,098,940
Total liabilities	7,609,671	355,442	1,385,705	239,962	209,589	59,732	4,230,893	14,090,994
Net assets	7,110,566	323,769	812,604	237,145	464,947	802,130	5,256,785	15,007,946
Group's share of net assets	1,631,561	129,508	405,578	154,145	284,780	160,426	2,543,698	5,309,696
Goodwill / intangible assets								582,079
Provision for impairment								(91,569)
								5,800,926

* The Group has applied the equity method using latest available financial information as at 30 September 2022.

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

17 PROPERTY, PLANT AND EQUIPMENT

2023:

	Leasehold improvements AED'000	*Land and buildings AED'000*	*Computers and office equipment AED'000*	*Plant, machinery and heavy equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Leisure, entertainment and other assets AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:									
At 1 January 2023	**542,548**	**7,970,490**	**875,569**	**1,348,308**	**60,804**	**1,286,955**	**1,633,497**	**1,862,237**	**15,580,408**
Additions/Adjustments	**21,287**	**39,420**	**37,746**	**7,738**	**15,569**	**37,643**	**18,790**	**400,214**	**578,407**
Disposals	**-**	**(269)**	**(11,576)**	**(12,613)**	**(11,371)**	**(36,143)**	**(49,228)**	**(480)**	**(121,680)**
Impairment (note 2.2)	**-**	**(148,662)**	**-**	**-**	**-**	**-**	**2,411**	**-**	**(146,251)**
Transfers	**945**	**367,751**	**80,963**	**310,398**	**-**	**39,292**	**-**	**(799,349)**	**-**
Transferred from investment properties (note 18)	**-**	**15,933**	**-**	**-**	**-**	**-**	**-**	**-**	**15,933**
Foreign currency translation differences	**9,434**	**(94,631)**	**(11,651)**	**(16,919)**	**(2,597)**	**(14,505)**	**(4,894)**	**(107,705)**	**(243,468)**
At 31 December 2023	**574,214**	**8,150,032**	**971,051**	**1,636,912**	**62,405**	**1,313,242**	**1,600,576**	**1,354,917**	**15,663,349**
Accumulated depreciation:									
At 1 January 2023	**282,393**	**2,129,171**	**749,772**	**522,619**	**56,765**	**932,006**	**1,023,803**	**-**	**5,696,529**
Depreciation charge for the year	**14,620**	**229,420**	**82,704**	**108,013**	**3,769**	**68,885**	**108,969**	**-**	**616,380**
Disposals	**-**	**(269)**	**(10,761)**	**(12,416)**	**(11,227)**	**(33,187)**	**(47,263)**	**-**	**(115,123)**
Transfers/adjustments	**-**	**2,742**	**(84)**	**14,781**	**-**	**(1,980)**	**-**	**-**	**15,459**
Transferred from investment properties (note 18)	**487**	**460**	**-**	**-**	**-**	**-**	**-**	**-**	**947**
Foreign currency translation differences	**3,470**	**(15,438)**	**(9,472)**	**(5,539)**	**(2,008)**	**(8,861)**	**(3,927)**	**-**	**(41,775)**
At 31 December 2023	**300,970**	**2,346,086**	**812,159**	**627,458**	**47,299**	**956,863**	**1,081,582**	**-**	**6,172,417**
Net carrying amount:	**273,244**	**5,803,946**	**158,892**	**1,009,454**	**15,106**	**356,379**	**518,994**	**1,354,917**	**9,490,932**

17 PROPERTY, PLANT AND EQUIPMENT (continued)

2022:

	Leasehold improvements AED'000	*Land and buildings AED'000*	*Computers and office equipment AED'000*	*Plant, machinery and heavy equipment AED'000*	*Motor vehicles AED'000*	*Furniture and fixtures AED'000*	*Leisure, entertainment and other assets AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:									
At 1 January 2022 (Audited)	564,730	8,507,422	841,833	1,242,098	68,086	1,245,853	1,545,160	2,178,060	16,193,242
Effect of restatement	-	(1,512,253)	(23,298)	(57,795)	(260)	(61,500)	-	(142)	(1,655,248)
Balance at the beginning of the year *(restated)*	564,730	6,995,169	818,535	1,184,303	67,826	1,184,353	1,545,160	2,177,918	14,537,994
Additions/Adjustments	3,452	36,129	76,700	27,994	1,215	36,738	16,673	592,052	790,953
Acquisition of DCH (note 2.1)	-	564,350	6,107	137,998	-	52,203	-	426,762	1,187,420
Disposals (87)	(1,869)	(8,593)	(9,847)	(1,103)	(20,229)	(15,568)	(1,731)	(59,027)	
Impairment (note 2.2)	(4,451)	-	(231)	-	-	(453)	(45,172)	(16,571)	(66,878)
Transfers 342	728,338	35,264	53,402	-	83,016	154,273	(1,054,635)	-	
Transferred to investment properties (note 18)	-	(80,244)	-	-	-	(911)	-	-	(81,155)
Foreign currency translation differences	(21,438)	(271,383)	(30,657)	(45,542)	(6,941)	(41,188)	(21,869)	(261,558)	(700,576)
Asset held for sale (note 4)	-	-	(21,556)	-	(193)	(6,574)	-	-	(28,323)
At 31 December 2022	542,548	7,970,490	875,569	1,348,308	60,804	1,286,955	1,633,497	1,862,237	15,580,408
Accumulated depreciation:									
At 1 January 2022 (Audited)	285,492	2,086,902	754,658	494,396	61,195	953,379	932,010	-	5,568,032
Effect of restatement	-	(96,985)	(18,073)	(34,848)	(168)	(37,161)	-	-	(187,235)
Balance at the beginning of the year (restated)	285,492	1,989,917	736,585	459,548	61,027	916,218	932,010	-	5,380,797
Depreciation charge for the year	11,813	219,577	63,829	91,904	3,213	68,246	118,509	-	577,091
Disposals (33)	(1,491)	(8,361)	(9,834)	(1,265)	(18,752)	(15,468)	-	(55,204)	
Transferred to investment properties (note 18)	-	(34,490)	-	-	-	(911)	-	-	(35,401)
Foreign currency translation differences	(11,612)	(44,342)	(24,847)	(18,999)	(6,017)	(25,775)	(11,248)	-	(142,840)
Impairment	(3,267)	-	(162)	-	-	(322)	-	-	(3,751)
Asset held for sale (note 4)	-	-	(17,272)	-	(193)	(6,698)	-	-	(24,163)
At 31 December 2022	282,393	2,129,171	749,772	522,619	56,765	932,006	1,023,803	-	5,696,529
Net carrying amount:									
At 31 December 2022	260,155	5,841,319	125,797	825,689	4,039	354,949	609,694	1,862,237	9,883,879

17 PROPERTY, PLANT AND EQUIPMENT (continued)

The valuation of the Group's significant revenue generating property, plant and equipment is carried out by professionally qualified valuers. The net income has been capitalised at terminal yield range of 5.75% to 8.75% (*2022: 5.50% to 8.75%*) and a discount rate range of 7.75% to 16% (*2022: 8.75% to 16%*) representing the characteristics and risk profile of an asset to determine the value of each of the revenue generating property, plant and equipment. At 31 December 2023, the fair value of these revenue generating property, plant and equipment assets is AED 10,802,010 thousands (*2022: AED 9,969,217 thousands*) compared with a carrying value of AED 8,136,015 thousands (*2022: AED 8,021,642 thousands*). Also refer note 2.2.

Certain property, plant and equipment assets are pledged as security against interest-bearing loans and borrowings as disclosed under note 24.

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

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2023	**10,802,010**	**-**	**-**	**10,802,010**
2022	9,969,217	-	-	9,969,217

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

18 INVESTMENT PROPERTIES

2023:

	Land AED'000	*Buildings AED'000*	*Plant and equipment AED'000*	*Furniture, fixtures and others AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2023	**2,020,014**	**23,218,377**	**438,334**	**1,168,044**	**1,599,338**	**28,444,107**
Additions/adjustments	**28,238**	**113,093**	**-**	**182,751**	**270,474**	**594,556**
Disposals	**-**	**-**	**-**	**(7,275)**	**-**	**(7,275)**
Impairment (note 2.2)	**-**	**(1,109,246)**	**-**	**-**	**-**	**(1,109,246)**
Transfers	**-**	**990,477**	**-**	**214,995**	**(1,205,472)**	**-**
Transferred from development properties (note 13)	**50,983**	**141,468**	**-**	**-**	**1,514**	**193,965**
Transferred to property, plant and equipment (note 17)	**(2,027)**	**(13,906)**	**-**	**-**	**-**	**(15,933)**
Foreign currency translation differences	**(3,188)**	**(61,680)**	**-**	**-**	**(22,729)**	**(87,597)**
At 31 December 2023	**2,094,020**	**23,278,583**	**438,334**	**1,558,515**	**643,125**	**28,012,577**
Accumulated depreciation:						
At 1 January 2023	**-**	**4,356,930**	**436,991**	**961,927**	**-**	**5,755,848**
Depreciation charge for the year	**-**	**657,163**	**63**	**123,157**	**-**	**780,383**
Disposals	**-**	**-**	**-**	**(7,275)**	**-**	**(7,275)**
Transferred to property, plant and equipment (note 17)	**-**	**(947)**	**-**	**-**	**-**	**(947)**
Foreign currency translation differences	**-**	**(8,947)**	**-**	**-**	**-**	**(8,947)**
At 31 December 2023	**-**	**5,004,199**	**437,054**	**1,077,809**	**-**	**6,519,062**
Net carrying amount:						
At 31 December 2023	**2,094,020**	**18,274,384**	**1,280**	**480,706**	**643,125**	**21,493,515**

18 INVESTMENT PROPERTIES (continued)

2022:

	Land AED'000	*Buildings AED'000*	*Plant and equipment AED'000*	*Furniture, fixtures and others AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2022	1,990,938	18,489,856	438,334	1,140,302	5,727,260	27,786,690
Additions	13,366	421,082	-	25,002	252,525	711,975
Acquisition of DCH (note 2.1)	19,054	144,437	-	1,829	21,113	186,433
Disposals /adjustments	(264)	(101,701)	-	-	-	(101,965)
Impairment	-	-	-	-	(12,877)	(12,877)
Transfers	-	4,293,769	-	-	(4,293,769)	-
Transferred from development properties (note 13)	-	-	-	-	4,496	4,496
Transferred from property, plant and equipment (note 17)	2,588	77,656	-	911	-	81,155
Foreign currency translation differences	(5,668)	(106,722)	-	-	(99,410)	(211,800)
At 31 December 2022	2,020,014	23,218,377	438,334	1,168,044	1,599,338	28,444,107
Accumulated depreciation:						
At 1 January 2022	-	3,721,577	436,937	885,276	-	5,043,790
Depreciation charge for the year	-	616,283	54	75,740	-	692,077
Disposals /adjustments	-	(365)	-	-	-	(365)
Transferred from property, plant and equipment (note 17)	-	34,490	-	911	-	35,401
Foreign currency translation differences	-	(15,055)	-	-	-	(15,055)
At 31 December 2022	-	4,356,930	436,991	961,927	-	5,755,848
Net carrying amount:						
At 31 December 2022	2,020,014	18,861,447	1,343	206,117	1,599,338	22,688,259

18 INVESTMENT PROPERTIES (continued)

The fair value of the freehold interest in Group's investment properties at 31 December 2023 was determined based on valuations performed by professionally qualified valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The values of the investment properties have been determined through analysis of the income cash flow achievable for the buildings and takes into account the projected annual expenditure. Both the contracted rent and estimated rental values have been considered in the valuation with allowances for void periods, running costs, vacancy rates and other costs. Based on the type and location of the property, the value of each of the properties has been determined by capitalising the estimated net income at an equivalent yield in the range of 7.5% to 8.5% (*2022: 6.50% to 8.75%*) (income capitalisation method). Where there are outstanding construction costs to complete the property these have been reflected in the valuation (residual method). Also refer note 2.2.

The fair value of investment properties as at 31 December 2023 is AED 70,027,293 thousands (*2022: AED 66,177,155 thousands*).

Investment properties represent the Group's interest mainly in land and buildings, shopping malls and retail assets situated in the UAE, Kingdom of Saudi Arabia, India, Turkey and Egypt. In the current year, revenue recognised from rental income is AED 5,282 thousands *(2022: 3,924 thousands)*.

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

	Total AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
2023	**70,027,293**	**-**	**-**	**70,027,293**
2022	66,177,155	-	-	66,177,155

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

19 INTANGIBLE ASSETS

2023:	*Goodwill AED'000*	*Brand AED'000*	*Customers relationship AED'000*	*Software AED'000*	*Total AED'000*
Cost:					
At 1 January 2023	**208,370**	**-**	**51,700**	**9,286**	**269,356**
Additions	**-**	**-**	**-**	**11,572**	**11,572**
Other movements	**-**	**-**	**-**	**(181)**	**(181)**
At 31 December 2023	**208,370**	**-**	**51,700**	**20,677**	**280,747**
Amortisation:					
At 1 January 2023	**-**	**-**	**51,700**	**5,714**	**57,414**
Charge for the year	**-**	**-**	**-**	**3,610**	**3,610**
At 31 December 2023	**-**	**-**	**51,700**	**9,324**	**61,024**
Net carrying amount:					
At 31 December 2023	**208,370**	**-**	**-**	**11,353**	**219,723**

19 INTANGIBLE ASSETS (continued)

	Goodwill AED'000	*Brand AED'000*	*Customers relationship AED'000*	*Software AED'000*	*Total AED'000*
2022:					
Cost:					
At 1 January 2022	573,382	164,300	51,700	5,309	794,691
Additions	-	-	-	3,977	3,977
Asset Held for Sale (note 4)	(365,012)	(164,300)	-	-	(529,312)
At 31 December 2022	208,370	-	51,700	9,286	269,356
Amortisation:					
At 1 January 2022	-	-	44,816	5,309	50,125
Charge for the year	-	-	6,884	405	7,289
At 31 December 2022	-	-	51,700	5,714	57,414
Net carrying amount:					
At 31 December 2022	208,370	-	-	3,572	211,942

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

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

(ii) *Discount rate*s - Discount rates reflected management's estimate of the specific risks. The discount rate was based on the risk-free rate of the investment's country, market risk premium related to the industry and individual unit related risk premium/ discount. This was the benchmark used by management to assess performance and to evaluate future investment proposals. Management estimated that such discount rate to be used for evaluation of the investment should be between 7.5% to 17% *(2022: 7.5% to 17%).*

(iii) *Growth rate estimates* - Management prepared a five-year budget based on their expectations of future results, thereafter a growth rate of 1% to 4% (*2022: 1% to 4%*) was assumed based on the nature of CGUs.

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

20 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets

	2023 AED'000	*2022 AED'000*
As at 1 January	**954,851**	1,066,681
Additions	**21,397**	15,923
Depreciation (note 6)	**(130,327)**	(124,086)
Asset held for sale (note 4)	**-**	(3,667)
As at 31 December	**845,921**	954,851

20 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	2023	*2022*
	AED'000	*AED'000*
As at 1 January	**980,824**	1,152,292
Additions	**3,350**	15,923
Interest expense	**51,500**	58,515
Other adjustments	**(14,753)**	(77,911)
Payments	**(157,261)**	(167,995)
As at 31 December (note 21)	**863,660**	980,824

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at the start of lease. The average rate applied is 4% to 8% (*2022: 4% to 8%*).

21 TRADE AND OTHER PAYABLES

	2023	*2022*
	AED'000	*AED'000*
Project contract cost accruals	**4,832,270**	7,563,969
Trade payables	**1,914,218**	2,011,974
Creditors for land purchase	**1,761,311**	2,691,964
Lease liabilities (note 20)	**863,660**	980,824
Payable to non-controlling interests	**247,505**	258,720
Income tax payable (note 9)	**238,268**	242,728
Dividends payable	**-**	285,644
Other payables and accruals	**5,118,506**	5,623,941
	14,975,738	19,659,764

Trade and other payables are non-interest bearing and for explanations on the Group's liquidity risk management process and maturity profile of financial liabilities refer note 34.

22 ADVANCES FROM CUSTOMERS

	2023	*2022*
	AED'000	*AED'000*
Balance at the beginning of the year	**19,563,729**	13,783,506
Additions during the year	**28,869,056**	27,178,662
Revenue recognised during the year	**(24,084,640)**	(21,697,229)
Acquired on acquisition of DCH (note 2.1)	**-**	1,669,776
Other Income recognised during the year (forfeiture income) *(note 8)*	**(710,058)**	-
Foreign currency translation differences	**(780,511)**	(1,370,986)
Balance at the end of the year	**22,857,576**	19,563,729

The aggregate amount of the sale price allocated to the performance obligations of the Group that are fully or partially unsatisfied as at 31 December 2023 is AED 69,873,720 thousands (excluding joint ventures) (*2022: AED 52,038,986 thousands*). The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 5 years.

23 RETENTIONS PAYABLE

	2023	2022
	AED'000	*AED'000*
Retentions payable within 12 months	**920,566**	1,098,066
Retentions payable after 12 months	**611,035**	522,477
	1,531,601	1,620,543

24 INTEREST-BEARING LOANS AND BORROWINGS

	2023	*2022*
	AED'000	*AED'000*
Balance at the beginning of the year	**5,300,305**	8,487,267
Add: Borrowings drawdown during the year	**1,549,777**	10,816,461
Less: Borrowings repaid during the year	**(3,751,350)**	(13,961,358)
Less: Transferred to assets held for sale	**-**	(42,065)
Balance at the end of the year	**3,098,732**	5,300,305
Add: Facilities payable on demand (note 10)	**-**	42,236
Less: Unamortised portion of directly attributable costs	**(54)**	(11,314)
Net interest-bearing loans and borrowings at the end of the year	**3,098,678**	5,331,227
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**1,319,244**	1,456,757
After 12 months	**1,779,434**	3,874,470
Balance at the end of the year	**3,098,678**	5,331,227
Interest-bearing loans and borrowings located:		
Within UAE	**7,291**	1,395,695
Outside UAE	**3,091,387**	3,935,532
	3,098,678	5,331,227

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

Secured

- USD 4,015 thousands (AED 14,747 thousands) loan from commercial bank, secured against certain assets in Lebanon, carries interest at 9.5% per annum and is repayable in 2024.

- EGP 885,275 thousands (AED 103,930 thousands) loan from commercial bank in Egypt, secured against certain assets in Egypt, carries interest at 19.75% per annum and is repayable in 2024.

Unsecured

- The Group had drawdown AED 3,673 thousands out of AED 5,509,500 thousand Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries interest / profit at EIBOR plus 1% per annum and is repayable by 2024. The facility is presented in the consolidated financial statements at AED 3,619 thousand net of unamortised directly attributable transaction cost.

- The Group had drawdown AED 3,673 thousands out of AED 3,673,000 thousand Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries profit at EIBOR plus 1% per annum and is repayable by 2025. The facility is presented in the consolidated financial statements at AED 3,673 thousand net of unamortised directly attributable transaction cost.

24 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Unsecured (continued)

- AED 936,615 thousand loan from a commercial bank in the United Arab Emirates, bearing interest at 3 month EIBOR plus 1.20% per annum and repayable by 2027. Refer note 33.

- EGP 2,078,651 thousand (AED 244,032 thousands) of funding facilities from commercial banks in Egypt, bearing interest from 11.28% to 21.00% and repayable by 2027.

- PKR 1,317,837 thousand (AED 17,190 thousands) of funding facilities from commercial banks in Pakistan, bearing interest 3 month KIBOR - (0.15% to 1.0%) and repayable in 2024.

- INR 40,212,803 thousand (AED 1,774,872 thousands) loans from commercial banks in India, bearing interest from 7.10% to 10.16% per annum and repayable by 2027.

As at the reporting date, the group has complied with applicable financial covenants on its loans and borrowings.

25 SUKUK

	2023	*2022*
	AED'000	*AED'000*
Emaar Sukuk Limited:		
- Series 3	**2,750,378**	2,749,339
- Series 4	**1,834,467**	1,833,356
- Series 5	**1,833,525**	1,833,053
EMG Sukuk Limited:		
- Sukuk	**2,753,512**	2,750,936
Total Sukuk liability as at year-end	**9,171,882**	9,166,684
Maturity profile:		
- within 12 months	**2,753,512**	-
- After 12 months	**6,418,370**	9,166,684
Total Sukuk liability as at year-end	**9,171,882**	9,166,684

A. Emaar Sukuk Limited:

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

Series 3:

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

	2023	*2022*
	AED'000	*AED'000*
Sukuk liability as at year-end	**2,750,378**	2,749,339

25 SUKUK (continued)

A. Emaar Sukuk Limited: (continued)

Series 4:

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

	2023 AED'000	*2022 AED'000*
Sukuk liability as at year-end	**1,834,467**	1,833,356

Series 5:

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

	2023 AED'000	*2022 AED'000*
Sukuk liability as at year-end	**1,833,525**	1,833,053

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 Management LLC, 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.

	2023 AED'000	*2022 AED'000*
Sukuk liability as at year-end	**2,753,512**	2,750,936

26 PROVISION FOR EMPLOYEE END-OF-SERVICE BENEFITS

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

	2023 AED'000	*2022 AED'000*
Balance at the beginning of the year	**177,044**	177,561
Effect of restatement	**-**	(3,865)
Balance at the beginning of the year	**177,044**	173,696
Provided during the year	**31,990**	30,126
Paid during the year	**(32,610)**	(26,778)
Balance at the end of the year	**176,424**	177,044

27 SHARE CAPITAL

	2023	*2022*
	AED'000	*AED'000*
Authorised capital 8,838,789,849 shares of AED 1 each (*2022: 8,838,789,849 shares of AED 1 each*) (refer note below)	**8,838,790**	8,838,790
Issued and fully paid-up 8,838,789,849 shares of AED 1 each (*2022: 8,838,789,849 shares of AED 1 each*) (refer note below)	**8,838,790**	8,838,790

(i) The Company's shareholders, at the general meeting held on 21 September 2022, approved to increase authorised share capital of the Company to 8,838,789,849 shares. After securing necessary approvals from authorities, the Company had issued a convertible bond to Dubai Holding Group on 8 December 2022 which was converted into 659,050,967 fully paid equity shares of the Company on 22 December 2022 (refer Note 2.1, 28 and 29).

28 RESERVES

	Statutory reserve AED'000	*Capital reverse AED'000*	*General reserves AED'000*	*Share premium AED'000*	*Net unrealised gains / (losses) reserve AED'000*	*Foreign currency translation reserve AED'000*	*Total AED'000*
Balance as at 1 January 2022	17,318,101	3,660	7,320,841	578,234	(1,400,267)	(3,773,964)	20,046,605
Increase in unrealised reserve	-	-	-	-	314,039	-	314,039
Decrease in foreign currency translation reserve	-	-	-	-	-	(2,135,168)	(2,135,168)
Net gain / (loss) recognised directly in equity	-	-	-	-	314,039	(2,135,168)	(1,821,129)
Issuance of new equity shares on Acquisition of DCH (refer note 2.1 (a))	3,090,949	-	-	-	-	-	3,090,949
Net movement during the year	-	-	683,205	-	-	-	683,205
Balance as at 31 December 2022	20,409,050	3,660	8,004,046	578,234	(1,086,228)	(5,909,132)	21,999,630
Balance as at 1 January 2023	**20,409,050**	**3,660**	**8,004,046**	**578,234**	**(1,086,228)**	**(5,909,132)**	**21,999,630**
Increase in unrealised reserve	**-**	**-**	**-**	**-**	**238,609**	-	**238,609**
Decrease in foreign currency translation reserve	**-**	**-**	**-**	**-**	**-**	**(868,956)**	**(868,956)**
Net gain / (loss) recognised directly in equity	**-**	**-**	**-**	**-**	**238,609**	**(868,956)**	**(630,347)**
Net movement during the year	**-**	**-**	**1,162,924**	**-**	**-**	**-**	**1,162,924**
Balance as at 31 December 2023	**20,409,050**	**3,660**	**9,166,970**	**578,234**	**(847,619)**	**(6,778,088)**	**22,532,207**

28 RESERVES (continued)

(a) Statutory and General reserve:
According to Article number 57 of the Articles of Association of the Company and Article 241 of the UAE Federal Decree Law No. (32) of 2021, 10% of annual net profits after non-controlling interests are allocated to the statutory reserve and another 10% to the general reserve. The transfers to the statutory reserve may be suspended when the reserve reaches 50% of the paid-up capital. Transfers to the general reserve may be suspended by the ordinary general assembly when the reserve reaches 50% of the paid-up capital.

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

The statutory reserve includes:

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

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

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

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

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

- AED 3,090,949 thousands being the premium of AED 4.69 per share (share par value at AED 1 per share) on issuance of new shares of the Company to Dubai Holding Group as part consideration to fully acquire the shareholding of DCH from Dubai Holding Group on 22 December 2022. Also refer notes 2.1 and 27.

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

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

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

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

29 EARNINGS PER SHARE

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

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

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

	2023	*2022*
	AED'000	*AED'000*
Earnings:		
Profit attributable to the owners of the Company for basic earnings	**11,629,238**	6,832,049

	2023	*2022*
Number of shares in thousands		
Weighted-average number of ordinary shares for basic earnings per share (i)	**8,838,790**	8,223,074

	2023	*2022*
Earnings per share:		
Basic and diluted earnings per share (AED)	**1.32**	0.83

(i) The weighted average number of shares at 31 December 2022 take into account mandatory convertible bonds issued by the Company on 8 December 2022 to Dubai Holding Group which were converted into 659,050,967 new equity shares on 22 December 2022 in connection with the acquisition of DCH (refer notes 2.1 and 27).

30 GUARANTEES AND CONTINGENCIES

a) Guarantees

1. The Group has issued financial guarantees and letters of credit of AED 924,010 thousands (*2022: AED 1,369,284 thousands*).

2. The Group has provided a financial guarantee of AED 5,000 thousands (*2022: AED 5,000 thousands*) as security for the letter of guarantee issued by a commercial bank for issuance of a trade license from the Government of Dubai.

3. The Group has provided a performance guarantee of AED 5,487,093 thousands (*2022: AED 5,773,727 thousands*) to the Real Estate Regulatory Authority (RERA), Dubai for its projects as per RERA regulations.

4. The Group has provided guarantee of AED 357,117 thousands (*2022: AED 430,577 thousands*) to commercial banks as security for a joint venture of the Group and against promissory notes issued by an entity with which Group is developing a project under development agreements.

5. The Group has provided performance guarantees of AED 103,435 thousands (*2022: AED 98,848 thousands*) to various government authorities in India for its projects. The banks have a lien of AED 229,482 thousands (*2022: AED 192,377 thousands*) towards various facilities.

6. The Group has provided a letter of credit and credit card facility of AED 223 thousand (*2022: AED 278 thousand*) in Egypt for its project. The bank has a lien of AED 223 thousand (*2022: AED 278 thousand*) towards this letter of credit and credit card.

7. The Group has provided a bank guarantee of EGP 50,000 thousand (AED 5,867 thousand) (*2022: AED 7,415 thousand*) to government authority in Egypt for its project. The bank has a lien of EGP 50,000 thousand (AED 5,867 thousand) (*2022: AED 7,415 thousand*) towards this bank guarantee.

30 GUARANTEES AND CONTINGENCIES (continued)

b) Contingencies

1. (a) Andhra Pradesh Industrial Infrastructure Corporation Ltd. ('APIIC'), a joint venture partner in certain subsidiaries of the Group in India, issued a legal notice to the Emaar India Land Ltd. (Emaar India) to terminate certain development and operational management agreements which were entered into between Emaar India, Emaar Hills Township Private Limited ('EHTPL' – a joint venture of the Group with APIIC) and Boulder Hills Leisure Private Limited ('BHLPL' – a joint venture of the Group with APIIC). APIIC has filed another suit against Emaar India to restrain Emaar India from carrying out any activity related to these developments. In addition thereto, a number of litigations were initiated against the Group by third parties on the grounds of irregularities in acquisition and allocation of land, sale plots etc. Under the matter, the Group had also received an attachment order of certain properties from Enforcement Directorate. The Group has assets and liabilities of INR 4,290 million (AED 189 million) and INR 1,288 million (AED 57 million) respectively.

   The management based on legal advice, is of the opinion that all the aforesaid suits filed by APIIC which are now being contested by Telangana State Industrial Infrastructure Corporation ('TSIIC'), shall be settled amicably by the parties through local and legal provisions available.

   (b) TSIIC has filed a Petition before the National Company Law Tribunal, ("NCLT") Hyderabad Bench against EHTPL and certain other parties under Section 241 and 242 of the Indian Companies Act 2013. The management believes that since the factual position with respect to demerger proceedings between APIIC and TSIIC has not changed and are still pending, therefore TSIIC has no locus standi to file the petition as it is not a shareholder and recorded member of EHTPL, and its name has not been entered into the Statutory Register of Members as maintained in terms of the provisions of the Indian Companies Act 2013. Accordingly, management believes that the petition filed by TSIIC is not tenable. However, on 25 July 2022, the maintainability issue has been decided by the NCLT, Hyderabad Bench in favour of the TSIIC and the Group or its representatives have been restrained from dealing with the assets and properties of EHTPL. The Group appealed the judgement of the NCLT before the NCLAT. The NCLAT vide judgement dated on 10 October 2022 decided the maintainability issue in favour of TSIIC, however, the interim order granting compensation has been set aside by the NCLAT. The Group had filed an appeal before the Supreme Court of India to challenge the judgement by NCLAT where the Supreme Court declined to interfere in the orders of the NCLAT, however, has left the decision on maintainability open till final adjudication of the matter.

   Thereafter, EHTPL has filed an application seeking reference of the matter to arbitration as provided under the contractual agreements between the parties. TSIIC's right to respond was forfeited by the NCLT. TSIIC has recently filed an application to set-aside the order forfeiting its right to file reply along with reply to the application seeking reference to arbitration, on which notice has been issued by the NCLT.

2. Emaar MGF Construction Private Limited (EMCPL), a subsidiary of the Group, had developed and constructed the Commonwealth Games Village (CWGV) in India on a Public Private Partnership model in furtherance to the Project Development Agreement (PDA) entered with Delhi Development Authority (DDA) on 14 September 2007. After acknowledging completion and issuing occupancy certificate, DDA invoked the performance Bank Guarantee (BG) of INR 1,830 million (AED 81 million) towards liquidated damages and other claims alleging that EMCPL had not been able to achieve the project timelines as per the terms of PDA. EMCPL contested the matter by filing petition with Delhi High Court who later formed an Arbital Tribunal where EMCPL filed claims of INR 14,182 million (AED 625 million) and DDA filed a counter claim of INR 14,460 million (AED 638 million). The cross examination before the Tribunal have been completed. Also, EMCPL has filed its written submissions, but DDA is yet to file its written submissions.

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

3. During the current year, UAE Federal Tax Authority ("FTA") issued a tax assessment order on the Group of AED 563,649 thousand mainly towards VAT on serviced residential units along with an administrative fine of AED 673,085 thousand. As at the reporting date, the demand of assessment order for AED 563,649 thousand is paid and a portion thereof has been adequately provided/adjusted from revenue (also refer note 5). However, management based on opinion of tax advisors, has filed a tax assessment review application with FTA to review their assessment order mainly to reflect their earlier clarification about VAT on serviced apartments. Accordingly, management do not expect the demand for aforesaid fine to materialize and hence no provision towards the same has been recognized.

30 GUARANTEES AND CONTINGENCIES (continued)

b) Contingencies (continued)

4. In connection with the debt-to-equity conversion by Emaar, The Economic City (EEC) of the Investor Loan novated to the Public Investment Fund (PIF), several group entities of Emaar, as shareholders in EEC (Emaar Warrantors), gave certain warranties and indemnities to PIF based on agreed liability caps (except for indemnities) depending on the liability period and which expire on the earlier of the date when the Land Disputes are finally settled or the 3rd anniversary of the Completion (Date 1 September 2021) (as applicable). Till date, there has been no notice of any claim given to any of the Emaar Warrantors by PIF against such warranties or indemnities.

31 COMMITMENTS

At 31 December 2023, the Group had commitments of AED 17,228,974 thousands (*2022: AED 11,619,330 thousands*) which include project commitments of AED 16,638,161 thousands (*2022: AED 11,015,649 thousands*). This represents the value of contracts entered into by the Group, including contracts entered for purchase of plots of land, net of invoices received and accruals made at that date.

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

Operating lease - 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:

	2023 ***AED'000***	*2022* *AED'000*
Within one year	**3,772,843**	3,237,966
After one year but not more than five years	**7,946,684**	6,067,242
More than five years	**1,934,996**	1,066,167
	13,654,523	10,371,375

In addition to the above lease entitlements, the Group also has rent agreements which entitles it to receive rent based on turnover of tenants and collect services charges.

32 DIVIDENDS

The Company has paid a cash dividend of AED 2,209,698 thousands for 2022 (AED 0.25 per share) as approved by the shareholders of the Company at the Annual General Meeting of the Company held on 17 April 2023.

A cash dividend of AED 4,419,394 thousand for 2023 (AED 0.50 per share) was proposed by the Board of Directors of the Company on date subject to the approval of shareholders in the forthcoming Annual General Meeting.

33 RELATED PARTY DISCLOSURES

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

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

33 RELATED PARTY DISCLOSURES (continued)

Related party transactions

During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties presented below, or disclosed in the financial statements otherwise:

	2023 **AED'000**	2022 AED'000
Associates and Joint Ventures:		
Property development expenses	**13,204**	21,287
Islamic finance income	**955**	2,120
Selling, general and administrative expenses	**8,420**	10,013
Revenue from leasing, retail and related income	**3,063**	2,603
Cost of revenue	**138,937**	111,690
Other operating income	**8,429**	8,169
Key management personnel and their related parties:		
Selling, general and administrative expenses	**73,902**	76,210
Rental income from leased properties and related income	**98,532**	79,338
Finance costs	**23,632**	26,607
Cost of revenue	**4,245**	14,141
Property development expenses	**11,230**	24,240
Other operating income	**38,581**	38,038
Other income	**716,369**	18,095

Related party balances

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

	2023 **AED'000**	2022 AED'000
Associates and joint ventures:		
Trade and other payables	**8,256**	7,877
Trade and unbilled receivables	**1,314**	1,305
Other assets, receivables, deposits and prepayments	**36,661**	16,030
Key management personnel and their related parties:		
Trade and unbilled receivables	**4,711**	7,483
Other assets, receivables, deposits and prepayments	**32,740**	71,336
Advance from customers	**3,036**	3,117
Trade and other payables	**388,554**	422,070

Compensation of key management personnel

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

	2023 **AED'000**	2022 AED'000
Short-term benefits	**106,278**	104,259
Long-term incentive	**12,286**	-
Employees' end-of-service benefits	**2,549**	4,101
	121,113	108,360

33 RELATED PARTY DISCLOSURES (continued)

Related party balances (continued)

Compensation of key management personnel (continued)

During the year, Company has considered employees above a specific grade as key management personnel's (KMPs) and aforesaid, including comparative financial information, reflecting remuneration related to these KMPs.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

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

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

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

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

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

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, other receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Total financial assets at amortised cost amounted to AED 54,980,702 thousands *(2022 : AED 44,849,672 thousands)* as at the reporting date.

Trade, unbilled and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate has less influence on credit risk. The Group earns its revenues from a large number of customers spread across different geographies. However, 98% *(2022: 98%)* of the Group's trade and unbilled receivables are from the Group's operations that are based in the Middle East and North Africa.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Credit risk (continued)

Trade, unbilled and other receivables (continued)
The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis as evidenced by the Group's low level of bad debts.

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

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

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with local and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations. Investment in securities measured at amortised cost were subject to 12-month ECL and the credit rating was B-.

Guarantees
The Group's policy is to provide financial guarantees only to its subsidiaries and certain associates and joint ventures. For details of guarantees outstanding as at the reporting date refer note 30.

Excessive risk of concentration

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

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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

b) Market risk

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

The Group currently does not hold any derivative financial instruments and when it does, such derivative instruments are not for speculative purposes.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk (continued)

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

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

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

	2023		*2022*	
	Change in basis points	***Sensitivity of interest expense AED'000***	*Change in basis points*	*Sensitivity of interest expense AED'000*
Financial liabilities	**± 100**	**22,049**	± 100	40,425

The investments in financial products are not for trading or speculative purposes but placed in securities or fixed deposits, with the objective of achieving better returns than cash at bank. The interest rates on loans to associates and joint ventures are described in note 15 to the consolidated financial statements. Interest rates on loans from financial institutions are disclosed in note 24 to the consolidated financial statements. The Group also carries certain fixed rate financial assets and liabilities, which does not have any significant exposure on interest rate risk.

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

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

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

	2023		*2022*	
Currency	***Change in currency rate in %***	***Effect on Comprehensive income AED'000***	*Change in currency rate in %*	*Effect on equity / profit AED'000*
EGP	+10	**368,108**	+10	378,241
INR	+10	**64,621**	+10	113,755
Other currencies not pegged to US Dollar	+10	**(32,356)**	+10	(27,045)

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b) Market risk (continued)

Exposure to equity price risk

Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio. Equity price risk arises from equity instruments held by the Group at fair value through other comprehensive income and fair value through profit and loss. Management of the Group monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed by qualified fund managers as well as on an individual basis. The primary goal of the Group's investment strategy is to maximise investment returns. The effect on fair value of investment in securities (as a result of a change in the fair value of equity instruments held at fair value through other comprehensive income and fair value through profit and loss as at 31 December) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	2023		*2022*	
	Change in equity price in %	***Effect on equity AED'000***	*Change in equity price in %*	*Effect on equity AED'000*
Investments	+10	**135,052**	+10	105,009

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

c) Liquidity risk

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

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

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

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

Financial liabilities	***Within 1 year AED'000***	***1 to 5 years AED'000***	***Over 5 years AED'000***	***Total AED'000***
As at 31 December 2023				
Interest-bearing loans and borrowings	**1,566,406**	**2,010,731**	**-**	**3,577,137**
Retentions payable	**920,566**	**611,035**	**-**	**1,531,601**
Lease liabilities	**155,011**	**516,907**	**191,742**	**863,660**
Payable to non-controlling interests	**-**	**247,505**	**-**	**247,505**
Sukuk	**3,056,863**	**3,511,480**	**3,948,016**	**10,516,359**
Other liabilities	**8,011,201**	**5,409,674**	**361,506**	**13,782,381**
Total undiscounted financial liabilities	**13,710,047**	**12,307,332**	**4,501,264**	**30,518,643**

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk (continued)

Financial liabilities	*Within 1 year AED'000*	*1 to 5 years AED'000*	*Over 5 years AED'000*	*Total AED'000*
As at 31 December 2022				
Interest-bearing loans and borrowings	1,755,468	4,290,077	110,963	6,156,508
Retentions payable	1,098,066	522,477	-	1,620,543
Lease liabilities	151,009	502,100	431,651	1,084,760
Payable to non-controlling interests	-	258,720	-	258,720
Dividend payable	285,644	-	-	285,644
Sukuk	364,977	6,429,228	4,087,131	10,881,336
Other liabilities	11,959,784	5,613,368	181,097	17,754,249
Total undiscounted financial liabilities	15,614,948	17,615,970	4,810,842	38,041,760

d) Capital management

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings and sukuk less cash and cash equivalents. Capital includes total equity attributable to the owners of the Company less the net unrealised gains/ (losses) reserve. At 31 December 2023, the Groups' gearing ratio is negative 38% *(2022: negative 6%)*. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

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

Financial instruments comprise financial assets and financial liabilities.

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

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

35 SUBSIDIARIES WITH MATERIAL NCI

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

	Principal place of business	***NCI holding 2023***	*NCI holding 2022*
Emaar Development PJSC	UAE	**19.84%**	19.84%
Emaar Misr for Development SAE	Egypt	**11.26%**	11.26%
Emaar India Limited	India	**22.99%**	22.99%

35 SUBSIDIARIES WITH MATERIAL NCI (continued)

The following table summarises the statement of financial position of these subsidiaries as at 31 December 2023. This information is based on the amounts before inter-company elimination.

	Emaar Development PJSC AED'000	***Emaar Misr for Development SAE AED'000***	***Emaar India Limited AED'000***
Total assets	**48,867,773**	**9,424,812**	**6,833,917**
Total liabilities	**22,397,043**	**5,230,919**	**6,169,686**
Total equity	**26,470,730**	**4,193,893**	**664,231**
Attributable to:			
Owners of the Company	**16,909,305**	**3,681,083**	**446,693**
Non-controlling interest	**9,561,425**	**512,810**	**217,538**

The following table summarises the income statement of these subsidiaries for the year ended 31 December 2023. This information is based on the amounts before inter-company elimination.

	Emaar Development PJSC AED'000	***Emaar Misr for Development SAE AED'000***	***Emaar India Limited AED'000***
Revenue	**11,921,378**	**1,833,529**	**1,271,240**
Profit / (loss) for the year	**8,484,076**	**799,927**	**(710,322)**
Total comprehensive income for the year	**8,484,076**	**799,927**	**(710,322)**
Attributable to:			
Owners of the Company	**5,313,803**	**709,856**	**(515,467)**
Non-controlling interest	**3,170,273**	**90,071**	**(194,855)**

The following table summarises the statement of financial position of these subsidiaries as at 31 December 2022. This information is based on the amounts before inter-company elimination.

	Emaar Development PJSC AED'000	*Emaar Misr for Development SAE AED'000*	*Emaar India Limited AED'000*
Total assets	42,474,437	10,213,119	8,026,414
Total liabilities	22,402,884	5,905,047	6,661,829
Total equity	20,071,553	4,308,072	1,364,585
Attributable to:			
Owners of the Company	13,680,401	3,782,406	964,239
Non-controlling interest	6,391,152	525,666	400,346

35 SUBSIDIARIES WITH MATERIAL NCI (continued)

The following table summarises the income statement of these subsidiaries for the year ended 31 December 2022. This information is based on the amounts before inter-company elimination.

	Emaar Development PJSC AED'000	*Emaar Misr for Development SAE AED'000*	*Emaar India Limited AED'000*
Revenue	11,540,904	2,893,441	892,313
Profit / (loss) for the year	4,265,078	1,303,091	(301,997)
Total comprehensive income for the year	4,265,078	1,303,091	(301,997)
Attributable to:			
Owners of the Company	3,046,599	1,156,364	(232,326)
Non-controlling interest	1,218,479	146,727	(69,671)