BUILDING PLACES FOR LIFE

SOLIDERE INTERNATIONAL

SOLIDERE INTERNATIONAL'S RISING STANDING IS THE RESULT OF INSIGHT, CREATIVITY, INNOVATION AND INVESTMENT IN PEOPLE AND IN PLACES. OVER THE COURSE OF EIGHT YEARS, THE COMPANY HAS AMASSED EXPERTISE DEDICATED TO DESIGNING SOPHISTICATED AND INCOMPARABLE DEVELOPMENTS ACROSS THE MIDDLE EAST. LIVING UP TO THE PROMISE OF OUR BRAND, OUR MISSION REMAINS ONE OF **CREATING** AND **BUILDING** REFINED **PLACES FOR LIFE**.

SOLIDERE INTERNATIONAL ANNUAL REPORT 2014

SOLIDERE INTERNATIONAL LIMITED IS A PLACE MAKER AND CITY MAKER, FOCUSED ON CREATING URBAN DESTINATIONS AND MIXED-USE DEVELOPMENTS ACROSS THE MIDDLE EAST AND IN EMERGING MARKETS WORLDWIDE.

THIS ANNUAL REPORT DISCLOSES CORPORATE INFORMATION TO ITS SHAREHOLDERS AND OTHER INTERESTED PARTIES.

IT PROVIDES AN OVERVIEW OF THE COMPANY'S STRATEGY AND APPROACH, GIVES AN INSIGHT INTO ITS MAIN PROJECTS, AND INCLUDES A CORPORATE REPORT WITH FINANCIAL RESULTS.

COLOPHON

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Illustrations in this annual report show the evolution of the design development to date and are therefore only indicative of the final master plans.

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A WORD FROM THE CHAIRMAN

2014 was an exceptional year of progress in terms of financial and operational performance. We are confident that the Company is solidly positioned to continue this positive momentum.

Solidere International's initial focus, to establish and expand its geographical market position and increase its land bank, proved to be the right strategy. The five-year strategic plan placed further effort on establishing and building our brand and market presence on a regional scale. We have carefully evaluated potential new development projects and assessed their feasibility from the perspective of enhancing growth, maximizing enterprise value, and deepening the Company's regional presence. We invested heavily in new structured projects, with over US$420 million injected over the past two years.

To drive prospective growth further, we have set ambitious targets. Effort has been poured into speeding up the completion of ongoing projects, both to deliver finished products and to reinforce market presence. As real estate developments start to take form, clients and investors are increasingly recognizing the superior quality and value of the Solidere International brand and already excellent relationships with business partners and major financial institutions are strengthening.

As projects progress on target and within budget, transactions have begun to accelerate. We have already begun to witness sales momentum across our portfolio and we aim to take advantage of these favorable prospects to improve revenue this year, and in the years to come. We are pleased with the progress achieved, which is solidly reflected in the financial results and ongoing construction activity. Our strategy is beginning to deliver.

Our 2014 consolidated income and shareholder base reflects the positive returns of our strategy. In fiscal year 2014, Solidere International reported a consolidated income of US$67 million, well above figures reported in previous years. This resulted in driving retained earnings to a record balance of US$185 million —equivalent to approximately US$17 per share.

Our healthy balance sheet has been further strengthened in 2014 by achieving a total asset balance of approximately US$1 billion—10 percent above figures for 2013. The net debt position was kept at a very low level of 4 percent to total assets, as all our projects are now self-financed and successfully funded through the appropriate debt-to-equity structures. It is to be noted that the Company's intrinsic value is well above its asset balance, due to unrealized marked-to-market gains in associated entities.

Despite the decline in the cash position by year-end, as a result of disbursements on new investments, we continued to efficiently manage our working capital to appropriate liquidity standards at the corporate and subsidiary levels, while taking into consideration project cash flow profiles and corporate operating needs. It is certain that strong projected financial performance, coupled with a disciplined reduction in cost base will again generate substantial free cash flows in the near future.

Objectives for the next few years focus on several priorities. Firstly, we will continue to search for high quality investment opportunities that meet our twin criteria of targeted internal rate of return and acceptable risk profile.

Secondly, we will seek to capitalize on fresh opportunities to expand operations throughout the region, so that we diversify our portfolio and position the Solidere International brand to capture additional value. In this regard, we are currently exploring a number of opportunities for expanding our development pipeline.

Finally, we will maintain the exceptional effort undertaken by management over the course of the last year to control the cost base, which resulted in a 23 percent decline in operating costs in 2014. We will sustain that diligence through 2015 as we continue to monitor expenditure, to achieve better efficiency and reinforce a cost-conscious company culture.

At Solidere International, we are pledged to creating 'Places for Life', a commitment that lies at the core of the Company's philosophy, that only quality creates value. With this aim in mind, as well as the right product, a strong and flexible strategy, and a team of skilled professionals, the Company is in a prime position to make the most of every new opportunity.

Looking forward, we forecast that the Company's new trend of sustained profitable growth is set to continue for years to come.

NASSER CHAMMAA
Chairman and Chief Executive Officer

NASSER CHAMMAA
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

OPERATION HIGHLIGHTS

Solidere International's achievements over the past year are characterized by significant progress in terms of construction. The Company has assertively pursued the execution of all planned developments in KSA and the UAE and sales are actively being pursued and transacted. Our property management teams have begun to look into operational issues in preparation for the receipt and operation of built assets over the coming two years. We have also expanded the scope of our joint ventures and laid the foundations for future cooperation on new projects with partners of repute.

Over the course of the last 12 months, all our fully-owned projects, as well as those developed and financed by our subsidiaries and Funds, have advanced considerably. The pouring of more than 122,000 tons of concrete has led to the building of 450 structures, some of which will become progressively operational from the end of 2015 onwards.

GOLDEN TOWER – JEDDAH, KSA

On the northern stretch of Jeddah's Corniche, Solidere International's iconic residential development, Golden Tower, was successfully launched on April 28, 2014. Construction is at the halfway stage and the 48-story tower will be ready for delivery by the end of 2016, when it will claim a well-deserved place on the Jeddah skyline. Positioned as the city's most exclusive residential address, Golden Tower is rapidly attracting the attention of discerning investors and prospective residents. While initial market responses were restrained, end-of-year sales results are quite encouraging.

RAYAT OBHUR – JEDDAH, KSA

Strategically located on Prince Abdul Majeed Road and two kilometers from the Kingdom Tower, in the upcoming district of Obhur in northern Jeddah, work has advanced on the one million square-meter plot of land acquired in 2012 in association with a Saudi partner. Marketed as Rayat Obhur, this land development project will become two distinctive residential communities, bordered by commercial strips, and is targeted at middle-class residents. The project is financed through a SAR600 million Fund, of which the Company owns 50 percent. Infrastructure is expected for delivery during the first quarter of 2016.

TILAL OBHUR – JEDDAH, KSA

With Obhur fast emerging as Jeddah's residential, business, and educational destination of choice, Solidere International has embarked on a second, forward-thinking project in the area.

In the Obhur Bay area, the Company has undertaken the land development for Tilal Obhur, a new, semi-gated residential community for Saudi nationals that caters to the modern lifestyle. Strategically located just off the Jeddah Corniche, 62.2 percent of the development is allocated to the private domain and 37.8 percent to the public domain. The community is comprised of plots for detached and semi-detached villas, as well as a commercial strip, a private school and a mosque. It is financed through a SAR250 million Fund, of which Solidere International owns 56.4 percent.

WADI QORTUBA – RIYADH, KSA

Located in the rapidly growing northeast quarter of Riyadh, construction has gathered pace on Wadi Qortuba, a high-end compound for expatriates, composed of 600 residential units. More than 50,000 cubic meters of concrete were poured at this income-generating asset by the end of December 2014, and a further 90,000 will be poured by mid-2015. Ideally suited to contemporary living, the integrated community offers great convenience and numerous lifestyle benefits and is expected for delivery in the last quarter of 2016.

The Company's development of a 25,000 square-meter mixed-use project that includes a boutique hotel, office block, children's nursery and retail facility, which will be located at the northern edge of the compound, is underway. Various facility management strategies and business plans aimed at providing high-end operations and leasing services for the post-opening period, are being evaluated. The project is financed through a SAR680 million real estate Fund, of which the company owns 85 percent.

AL MALGA DEVELOPMENT – RIYADH, KSA

In the Al Shemal municipality in the northern part of Riyadh, Solidere International has commenced infrastructure work on Al Malga, a one million square-meter land development project. The site is situated in Riyadh's 'Golden Triangle', one of the capital's most dynamic emerging areas and is within easy access of important landmarks, including the King Khaled International Airport and the King Abdullah Financial District.

The Al Malga district is a rapidly urbanizing part of the capital and the Company is also studying the feasibility of an 80,000 square-meter mixed-use development that will occupy part of the site, which would include retail, a boutique hotel, and a small office component. The project is financed through a SAR1.25 billion real estate Fund, in which Solidere International owns 50 percent. Infrastructure is underway with expected delivery in the third quarter of 2016.

UPTOWN PARK – HAZMIEH, LEBANON

Solidere International has secured the necessary governmental approvals to launch development of Uptown Park, a primarily residential project set on a 90,521 square-meter site in the Beirut suburb of Hazmieh. The approvals are part of a strategy to bring added value to the site, above and beyond its already appreciated land value. The current master plan calls for the preservation of a heritage building and existing parkland, around which the Company will develop a high-end residential community and office complex, as well as select retail offerings. Solidere International will continue to monitor the situation in Lebanon until market conditions are ripe for launch as turnaround can be achieved within a short period of time, given the approvals now held.

AL ZORAH DEVELOPMENT – AJMAN, UAE

Twenty-five minutes from Dubai International Airport, the rapidly emerging coastal living destination of Al Zorah is already attracting regional attention. First-phase construction is steadily progressing, with the opening of a world-class golf course planned for the October 1, 2015. Spread over 5.43 million square meters of pristine coastal land, with a total waterfront of 12 kilometers, Al Zorah is positioned to become the UAE's premier all-inclusive tourist and residential coastal lifestyle destination.

Development is moving quickly, with two exceptional resorts currently under construction; one operated by respected South Asian hoteliers, Oberoi Hotels and Resorts, and the other by the Mauritius-based Lux* Resorts. The two resorts are designed to offer unrivalled seafront luxury and will become destinations in their own right.

All concrete work is already completed on The Oberoi, a 113-key resort, which will be finished by February, 2016. Construction of the Lux* Al Zorah is expected for handover by the end of 2016. The five-star, 191-key resort features distinctive design and several entertainment venues and caters to families as well as a younger, more trend-oriented clientele.

The golf fairway will also include two residential clusters, a community clubhouse, and a wellness center. Sales of a limited number of contemporary villas facing the protected mangrove forests along the western edge of the golf course were launched in September 2014 at Cityscape.

Al Zorah's infrastructure has been contracted and is due for delivery in October, 2016. This includes all of the resort's lush landscaping. The existing experience of Al Zorah has recently been enhanced by the opening of the first restaurant at the Pavilion, the development's community center and public showcase. Also underway is the development of serviced residential apartment buildings, the fitting out of the first marina, and the construction of a series of waterfront residences and villas.

COMPANY PROFILE

COMPANY OVERVIEW

City maker, place maker, and developer, Solidere International is focused on creating Places for Life in the form of refined urban destinations and mixed-use real estate developments, in the Middle East and in emerging markets internationally. It was incorporated in and under the law of Dubai International Financial Centre (DIFC) as a company limited by shares, (Registration Number 0412, June 7, 2007), after raising US$700 million of equity through private placement.

The Company's objectives range from identifying, promoting, purchasing, master planning, developing, and investing in suitable real estate products that meets its vision, to marketing, operating, and providing general management services for its completed projects.

Solidere International is currently involved in projects in Ajman (United Arab Emirates), Riyadh and Jeddah (Kingdom of Saudi Arabia), and Hazmieh (Lebanon) and is exploring new opportunities in promising markets.

RELATIONSHIP WITH SOLIDERE

The Lebanese Company for the Development and Reconstruction of Beirut Central District s.a.l. (La Société Libanaise pour le Développement et la Reconstruction du Centre Ville de Beyrouth, or Solidere) was established in 1994. Solidere is legally mandated with implementing an urban master plan for rekindling the city's legacy as a global hub, through the revitalization of Beirut's city center, which was devastated during the Lebanese war (1975–1990).

Solidere's activities included the restoration of all historic buildings, the execution and installation of all necessary infrastructure, environmental cleanup and land reclamation projects —most notably through the transformation of a vast wartime dumpsite on the northwest shoreline of the capital into a treated landfill that is now the new Waterfront District. Solidere is also responsible for building and managing new buildings and selling land, as well as the design of all public open space within its area of jurisdiction.

This broad-ranging experience in city making, real estate development, and urban management has endowed Solidere's interdisciplinary team with a unique track record in urban planning, real estate and land development, property marketing, and financial feasibility studies and sales.

In 2007, Solidere's General Assembly resolved to put the expertise gained in Beirut Central District to wider use and capitalize on its brand name and experience to launch an international development operation and create additional value for its shareholders. Thus, Solidere International was incorporated. Solidere is the Company's founding member and principal investor.

As part of establishment procedures, in June 2007, Solidere granted and transferred certain rights to Solidere International and undertook commitments, including a lock-in of shares held by Solidere or its subsidiaries, and a non-compete undertaking in relation to all projects outside the Beirut Central District, where Solidere conducts its activities. Additionally, the two companies signed the following agreements:

A Trademark License agreement, which grants Solidere International usage of the Solidere trademark and associated logo and trademarks in developing projects outside Beirut city center.

A Professional Services agreement, whereby all necessary means (personnel, facilities, systems, procedures, experience, and expertise) are offered at cost by Solidere to Solidere International in fulfillment of its engagements.

Currently, Solidere is the major shareholder of Solidere International Limited. The company and its subsidiaries own around 39 percent of its total capital.

COMPANY MISSION AND VISION

Solidere International is focused on the building of what its founding company refers to as 'Places for Life', inspiring cities, neighborhoods and sophisticated real estate products that respond to their context, culture, and climate and, in doing so, improve the quality of life of those who live in or use them.

Both city maker and developer, the Company's commitment to identifying fresh opportunities for investment is balanced by its drive to create world-class real estate developments that observe the highest standards of service. The Company aims to position itself as a leading international real estate developer by upholding the Solidere standard when it comes to measuring the quality and livability of its endeavors.

CORPORATE PHILOSOPHY

Solidere International's core business philosophy is based on the belief that sensation may be of the moment but true quality is timeless.

This guiding principal is evident throughout its projects. Whether it is a property the Company develops or manages, a service it offers, or an investment in which it is involved, vision, value creation, and excellence of design and construction inform all its undertakings.

It is also central to Solidere International's thought and decision-making process, one inherited in part from its founding company. The Company's philosophy is derived from Solidere's decades-long experience of rebuilding central Beirut, and the successful reputation and strong brand recognition it earned as a result. It is anchored in an unwavering commitment to quality, a steadfast focus on detail that takes into consideration the contextual elements influencing a project, the need to achieve the right returns for shareholders, and the importance of building long-term brand value. By adhering to the highest standards of quality in all its undertakings, Solidere International is committed to the benefit of its shareholders.

CORPORATE STRATEGY

Solidere International acts as a master developer and/or as a real estate or land developer, depending on the market it is in, and in line with its development and investment objectives. Solidere International takes two approaches to property investment. Either it invests directly or else it does so through affiliates, subsidiaries, investment funds, or special-purpose vehicles. Subsidiaries are encouraged to work with local partners with substantial development expertise and experience in their local markets.

In all cases, Solidere International retains management of all of its projects. Initial business and master planning are conducted internally and it only delegates the execution of a project under its direct supervision and management to a subsidiary or partner company to protect its brand values. This ensures that execution is equal to the vision and the standard of quality with which the Company is associated.

BUSINESS ACTIVITIES

Solidere International's business activities encompass a broad range of professional services and investment activities, including master, land, and real estate development, project, property, and development management, advisory services, and a plethora of value-added services. All are based on its core corporate competency: expertise in conceiving and building high quality, timeless places and spaces.

MASTER DEVELOPMENT

Solidere International has the experience and capability to take the role of master developer on large-scale and mixed-use projects.

It begins by identifying the intrinsic, strategic strengths of every location it seeks to develop. Drawing on the collective expertise of its multidisciplinary in-house team, and guided by the directives of its business development unit, the Company formulates an initial vision and business study to test the best use of the proposed location, whilst remaining fully cognizant of the investment returns — be they short, mid or long-term.

These preliminary findings are further tested and refined through comprehensive investigation of the relevant markets. Supported by in-depth economic analyses, detailed master planning, accurate costing and feasibility studies, and branding exercises, Solidere International is then able to suggest the best possible way to transform the proposed location into a unique destination.

As master developer, the Company is responsible for setting the overall development strategy for its destinations, based on clear objectives and key performance indicators. It also assumes responsibility for leadership and development management, investment, design and construction management, marketing and sales activities, as well as property and facility management. Furthermore, Solidere International creates and manages the supporting activities — cultural, sporting, and communal — that are key to creating distinctive, convivial destinations.

Endowed with the accumulated experience and expertise its founding company amassed rebuilding central Beirut, Solidere International is among the first private development companies in the region to establish a culture of enforcing design guidelines upon third-party developers, to best protect the urban and architectural quality of its destinations.

LAND DEVELOPMENT

Solidere International acts as land developer in countries that require this kind of service completed within a relatively short timeframe. In this role, the Company drafts carefully conceived master plans that result in properly-parceled plots, supported by the appropriate infrastructure, as well as landscape and design guidelines when required.

To this end, the Company conducts in-house planning and parceling exercises to devise a well-proportioned and balanced subdivision of land that is aimed at facilitating the creation of a superior product by third-party developers. In accordance with local legislation, Solidere International integrates as many controls as is legally permissible into parcel development briefs, to better guide individual developers and thus raise the quality of the project.

REAL ESTATE DEVELOPMENT

Solidere International acts as a real estate developer on plots of land it owns directly or indirectly within its master development projects or on strategically located plots it acquires for specific real estate investment.

In some instances, the Company considers the possibility of entering into a joint venture with landowners to develop their plots on condition that it maintains full control of the process. In others, the Company may also invest in existing properties — mainly those with historical and architectural value — especially if they are strategically located and meet the Company's long-term value creation objectives.

As a developer, Solidere International positions itself as market leader and market maker and aspires to develop real estate products that become references in terms of quality of design, execution, and livability. The Company works with some of the world's most renowned architects and interior designers to ensure that all it does is of the highest standard. In-house project management teams oversee construction and are responsible for procuring the finest finishes and services at the best possible price. Experienced in many kinds of real estate projects, the Company is especially well-versed in mixed-use, residential, hospitality, and retail developments.

PROJECT MANAGEMENT

Project management services are a core company competency. Conducted in line with international standards, the Company's expertise covers pre-construction, construction, and post-construction duties. In-house teams may sometimes be called upon to conduct value engineering on certain projects, to ensure that they meet predetermined construction budgets.

Project managers of Solidere International are given full responsibility to deliver the Company's projects on time and within budget, and they operate autonomously with periodic corporate oversight.

PROPERTY MANAGEMENT

Solidere International offers property management services on all its projects to ensure that residents and visitors are immediately able to enjoy the development upon completion. These services run from physical maintenance and leasing, to sales and administrative support. By maintaining high standards, enforcing adherence to interior and exterior design and construction guidelines adapted to the environment, and by attracting the correct mix of local and international tenants, the Company's property management team preserves asset value, secures rental income, and maximizes sale value. As property manager, Solidere International offers tenants and investors these services at nominal market rates.

DEVELOPMENT MANAGEMENT AND ADVISORY SERVICES

With extensive specialist expertise in inner city and historic core regeneration, Solidere International also offers development management services on projects it believes will have a positive impact on the quality of life of its users. These services are similar to the ones it provides for its own projects and products, but in this instance, the Company acts as an advisor or consultant, for a fee. In this role, Solidere International carefully assesses the client profiles and projects it will consider, with an eye toward potentially investing should the project move to implementation.

Whether as development manager or consultant/advisor, Solidere International offers clients a selection of services, mutually agreed upon from the outset, for which it provides seconded staff and corporate support.

VALUE-ADDED SERVICES

In line with its strategy of becoming a more integrated developer and of diversifying its sources of revenue, Solidere International has embarked on establishing joint ventures (JV) that complement its existing range of development activities.

The first JV that has reached maturity is in the field of retail. Through its subsidiary Solidere Saudi Arabia (SSA), Solidere International established a JV with a Saudi retailer where both parties draw on existing synergies and core competencies to lend added value to their respective business lines. As a developer, Solidere International brings its physical development expertise to the table, as well as access to prime developable land. The JV partner contributes retail operations and leasing knowhow, as well as a portfolio of well-known brands and a database of retail operators, who will serve as long-term tenants.

The objective of this specific JV is the development of multiple retail centers that cater to the Saudi market, in variations ranging from low-cost, street-level commercial strips to more sophisticated, open-air malls. The JV concept is flexible and can be easily replicated over a multitude of commercial land frontages.

So far, the JV has initiated construction works on its first project along the North Ring Road in Riyadh, with an area of around 16,000 square meters and an expected built-up area (BUA) exceeding 8,000 square meters. Another project (20,000 square meters of land and 25,000 square meters of BUA) is already in advanced design stages and three more are in the pipeline.

Solidere International is also exploring other JVs in a variety of economic sectors to enhance its profitability.

REAL ESTATE INVESTMENT FUNDS

Solidere International's Private Real Estate Investment Funds provide a means to the Company, as a successful real estate developer, to access a dedicated pool of capital and fund new real estate investment projects in the region.

The Funds were organized with a finite life, targeting institutional and private investors seeking long-term capital gains. The Funds' investment strategy has been primarily focused on a diversified portfolio of real estate ventures in Saudi Arabia.

The Company has appointed professional fund managers to oversee all aspects of the Funds, while remaining the sole appointed developer.

To date, Solidere International has successfully launched and closed four real estate Funds in Saudi Arabia, with a total value of over SAR3.5 billion. Given its reputation as a high-end developer, Solidere International contributed to closing the Funds in a very short period of time, with most of the Funds being highly oversubscribed.

This success is a sign of market confidence in Solidere International's capabilities as a renowned developer and in the products it will develop, which are always coherent with the brand values of the mother company.

BLOM SOLIDERE REAL ESTATE FUND

Inception Date March 15, 2013
Fund Size SAR600,000,000
Objective Land Development and
Serviced Block Sales
Fund Structure Private Closed-Ended
Shari'ah Compliant Real Estate Investment Fund
Closing Date April 15, 2013
Fund Term 3 years (possible extension of 2 years)
Target IRR 21.4%
Fund Manager BLOMINVEST Saudi Arabia
Fund Custodian BLOM Aqariyya Company
Auditor Deloitte & Touche
Domicile Saudi Arabia
Geographic Focus Obhur, Jeddah
Fund Regulator Capital Market Authority
Developer Solidere International Limited
SI Ownership 50%

MED SI REAL ESTATE DEVELOPMENT FUND II

Inception Date January 16, 2013
Fund Size SAR1,250,000,000
Objective Land Development and
Serviced Block Sales
Fund Structure Private Closed-Ended
Shari'ah Compliant Real Estate Investment Fund
Closing Date December 27, 2013
Fund Term 7 years (possible extension of 2 years)
Target IRR 26%
Fund Manager SaudiMed Investment Co.
Custodian MED Real Estate Development
Fund II Company
Auditor Deloitte & Touche
Domicile Saudi Arabia
Geographic Focus Riyadh
Regulator Capital Market Authority
Developer Solidere International Limited
SI Ownership 50%

SOLIDERE BLOM REAL ESTATE FUND III

Inception Date June 4, 2014
Fund Size SAR250,000,000
Objective Land and Infrastructure Development
(Potential Real Estate Development)
Fund Structure Private Closed-Ended
Shari'ah Compliant Real Estate Investment Fund
Closing Date December 18, 2014
Fund Term 3 years (possible extension of 2 years)
Target IRR 18%
Fund Manager BLOMINVEST Saudi Arabia
Fund Custodian BLOM Funds Real Estate Company
Auditor Deloitte & Touche
Domicile Saudi Arabia
Geographic Focus Obhur, Jeddah
Regulator Capital Market Authority
Developer Solidere International Limited
SI Ownership 56.4%

BLOM SOLIDERE COMPOUND REAL ESTATE FUND

Inception Date December 18, 2013
Fund Size SAR1,403,000,000
(Equity: 723,000,000, Debt: 680,000,000)
Objective Mixed-Use Real Estate Development /
Residential and Retail
Fund Structure Private Closed-Ended Shari'ah Compliant Real Estate Investment Fund
Closing Date December 17, 2014
Fund Term 5 years (possible extension of 4 years)
Target IRR 17%
Fund Manager BLOMINVEST Saudi Arabia
Custodian BLOM Projects Real Estate Company
Auditor Deloitte & Touche
Domicile Saudi Arabia
Geographic Focus Qortuba District, Riyadh
Regulator Capital Market Authority
Developer Solidere International Limited
SI Ownership 85%

GROUP ACTIVITIES

REAL ESTATE INVESTMENT AND DEVELOPMENT ACTIVITIES

AL ZORAH DEVELOPMENT, AJMAN – UAE

Objective Development of a coastal living destination
Ownership 39% joint venture with the government of Ajman and a local developer
Location Northern coast of Ajman
Land area 5,430,885 sq m

WADI QORTUBA, RIYADH – KSA

Objective Development of a high-end, expatriate residential compound
Ownership 85.03%
Location Qortuba
Land area 270,350 sq m
Gross BUA 153,000 sq m residential compound and 30,000 sq m retail
Fund manager BLOMINVEST Saudi Arabia

TILAL OBHUR, JEDDAH – KSA

Objective Investment and land development
Ownership 56.4% of the Fund
Location North of Obhur
Land area 184,540 sq m
Fund manager BLOMINVEST Saudi Arabia

AL MALGA DEVELOPMENT, RIYADH – KSA

Objective Investment and land development
Ownership 50%
Location Northern Riyadh
Land area 1,000,000 sq m
Fund manager SaudiMed Investment Company

GOLDEN TOWER, JEDDAH – KSA

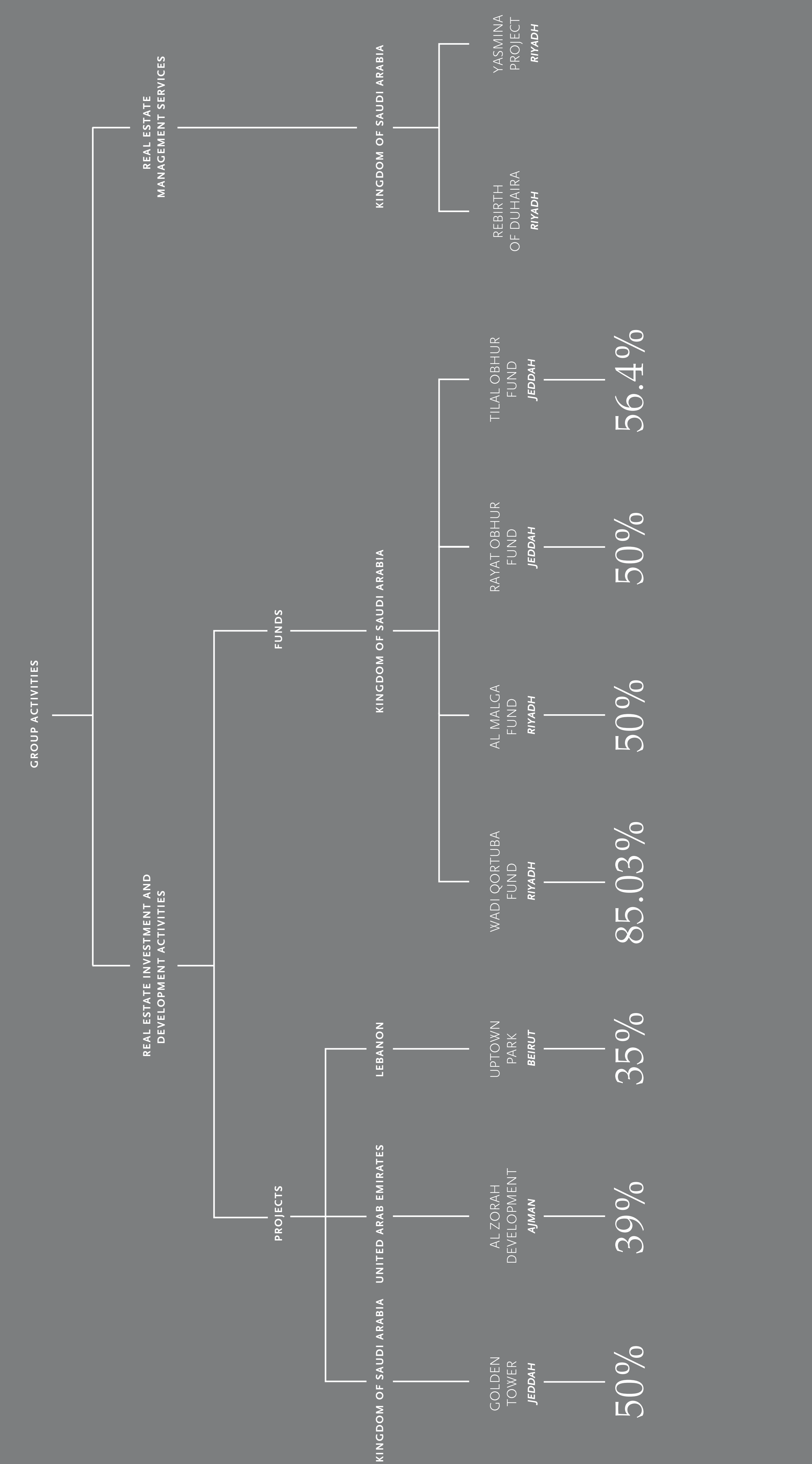
Objective Development of a 48-story, high-end residential tower
Ownership 50% joint venture with local partner
Location North of Jeddah
Land area 5,295.22 sq m
Gross BUA 60,737 sq m

RAYAT OBHUR, JEDDAH – KSA

Objective Investment and land development
Ownership 50% of the Fund
Location North of Obhur
Land area 1,000,000 sq m, of which 50% has been acquired by the fund
Fund manager BLOMINVEST Saudi Arabia

UPTOWN PARK, BEIRUT – LEB

Objective Development of a high-end residential, gated community
Ownership Interests and rights totaling 35% of the project
Location Hazmieh
Land area 90,921 sq m (in addition to 17,976 sq m of land for sale)



NUMBERS REPRESENT SOLIDERE INTERNATIONAL'S PERCENTAGE OWNERSHIP IN EACH ACTIVITY.

AL ZORAH DEVELOPMENT

A REFINED COASTAL LIVING DESTINATION THAT IS A CAREFULLY CONSIDERED BALANCE BETWEEN THE NATURAL AND THE BUILT. THIS ECO FRIENDLY DEVELOPMENT BLENDS RESORT-STYLE LIVING WITH CONTEMPORARY COMMUNITY LIFE.

AL ZORAH DEVELOPMENT

Objective Development of a coastal living destination ***Ownership*** 39% joint venture with the government of Ajman and a local developer ***Location*** Northern coast of Ajman ***Land area*** 5,430,885 sq m

Solidere International's debut in the Gulf region is a refined coastal living destination, whose master plan is designed to build on the site's geographic attributes and natural setting. The development of Al Zorah reflects Ajman's recently communicated vision to reposition itself as a differentiated niche market, offering substantial potential for residential, leisure, and touristic developments.

Al Zorah is a carefully considered blend of the natural and the built. It occupies 5.43 million square meters of coastal land and 12 kilometers of waterfront. Lagoons and mangrove forests, which account for 60 percent of the site, have been carefully preserved for public enjoyment and are home to an astonishing variety of native marine and plant life, sheltering some 58 species of resident and migratory birds.

A leisure and residential project, Al Zorah works hard to balance the natural beauty of its location with world-class products and amenities. Its concept prioritizes an eco-friendly existence that blends elements of resort-style living with contemporary community life. The mixed-use development is made up of a series of world-class hotels and resorts, wellness and leisure facilities, residential and commercial areas, and an 18-hole championship golf course, all set in lush seafront and creekside surroundings. A wealth of walking, cycling, and jogging routes, as well as a range of recreational and resort-centered activities, make it the perfect place to live, work, and play.

In line with its strategy of spurring growth in the Emirate, the Government of Ajman has entered into a joint venture partnership with Solidere International to plan and build Al Zorah, which is being developed by the Al Zorah Development (Private) Company Limited P.S.C. Al Zorah is based on a master plan prepared by Solidere International, which provides professional services for the project's development, strategy, and marketing and is also engaged in developing real estate anchor projects.

Al Zorah benefits from free zone and freehold status, giving foreign nationals the right to 100 percent ownership and tax-free development. This makes it an ideal place for investment—whether through developing, establishing, or owning businesses and property—or for setting long-term life objectives.

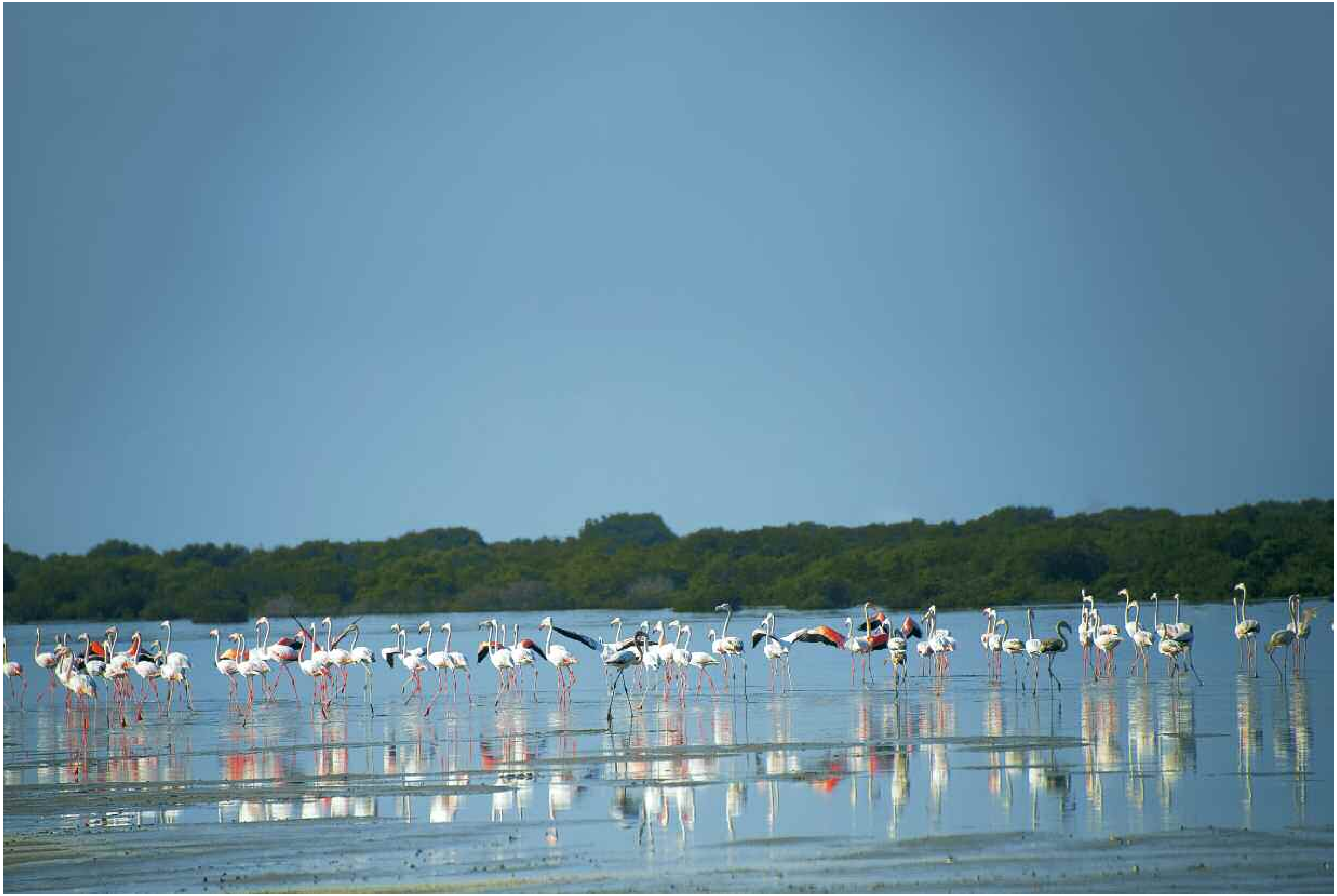
THE SITE

Sustainable planning preserves the integrity of the surrounding environment, retaining the lush ambience of the development

The fine white sands and limpid coastal waters of Al Zorah are easily accessible. A 25-minute drive from Dubai International Airport (20 from Sharjah International Airport) along the Sheikh Mohammed bin Zayed Road, it is also easily reached by water taxi from neighboring emirates and by private yacht.

A gently meandering scenic parkway leads into Al Zorah from Al Ettehad Street, unfolding a combination of charming panoramas—from rolling dunes, scenic creeks, and lush mangroves to sandy beaches and crystalline waters.

The lagoons and mangrove forests are designated conservation areas. The master plan allocates high priority to the formalization of this designation and to the dedication of appropriate resources to its management and protection. Al Zorah's rich natural diversity, including offshore coral and 58 species of resident and migratory birds, is an important part of what makes this development unique.



Avicinnia Marina mangroves that
grow 3 to 10 meters in height

AL ZORAH PAVILION

With an auditorium and an exhibition focusing on bird migration, forestry, and sea life in the region, the Pavilion invites guests to interact with the biodiversity of the project

With a presentation center focused on the surrounding environment, the 3,500 square-meter Pavilion slopes down in terraces toward the sea and invites visitors to explore Al Zorah's biodiversity. It further serves as a showcase for the development, its master plan, and multiple investment opportunities. It includes a 150-seat auditorium, hosts community-related activities, and is home to the first Shakespeare & Co. coffee shop venture in Ajman.

A focal point for clients, residents, and visitors alike, the seamless way this contemporary structure merges with its surroundings is a concrete demonstration of the Al Zorah vision and an elegant illustration of the project's ultimate aim.

SITE WORKS

Providing solid infrastructural foundations across the board is fundamental to creating a landmark destination

In 2014, marine works, the construction of four marinas, 80 percent of the earthworks for the First-Phase infrastructure, and a bridge across two marinas were completed. Remaining First-Phase infrastructure and landscaping works, including the wet utilities, power and telecommunications networks, and paving of the roads, are currently in progress. All will be completed in phases to ensure that utility services are available when needed for the various building projects that are underway, including The Oberoi Al Zorah (above) as well as the golf course and other resort and residential developments. Transformation of the overall site will be visible progressively during 2015 and into early 2016.

FIRST-PHASE PROJECTS
Construction of the Golf Course,
planned for delivery by the end of 2015

THE MASTER PLAN

Company Al Zorah Development Private Company Limited P.S.C., Ajman *Partners* Government of Ajman, SI Al Zorah Equity Investment Inc., Cayman Islands *Developer* Solidere International *Master planning* Solidere International *Land area* 5,430,885 sq m

The master plan is based on a vision that focuses on strategic real estate objectives to define Al Zorah as a refined, active lifestyle destination.

Solidere International's in-house urban development team, in collaboration with international consultants, contributed to the completion of the master plan and feasibility studies. The detailed plan has received official approval.

The mixed-use project is comprised of an assortment of quality real estate products, including world-class beachfront resorts and hotels, residential developments, marinas, and retail and entertainment districts. Most properties enjoy water, golf course, or mangrove views while an extensive network of walking, cycling, and jogging routes, all integral parts of planning requirements, enhance the project's lifestyle appeal and are pillars of the offering.

Some 60 percent of the land area is devoted to public space and protected areas. By preserving the location's natural beauty, the master plan lays the foundations for an eco-friendly lifestyle. The 12-kilometer waterfront, mangrove forest, and creek do more than define the landscape for each, in their own way, are ideally suited to a wide range of recreational and resort activities.

By making a virtue of nature and focusing on enhancing built areas with lush, desirable, connecting and open spaces, Al Zorah achieves a level of refinement and integration that permits it to emerge as more than just another upscale coastal living destination.

AL ZORAH DEVELOPMENT
MASTER PLAN

AL ZORAH DEVELOPMENT
MASTER PLAN

DESTINATION COMPONENTS

01 AL ZORAH SHORES

Stretching along the eastern coastline of Al Zorah, this district encompasses the development's waterfront area, high-end resorts, a beach club and boardwalk, beachfront residential buildings, villas, chalets, and other seaside leisure and hospitality attractions. The scheme has prime flexible plots for the development of international-standard projects capable of supporting a broad range of concepts and operations, all of which benefit from 1.6 kilometers of beach frontage. The projects are buffered from the development's commercial spine by a generous linear park and are serviced by a winding resort road, giving this part of the development an additional sense of privacy and exclusivity.

02 AL ZORAH AVENUES

This district is a linear, two-kilometer-long, high-density development area. Connected by a pedestrian retail and leisure spine, it is comprised of primary magnets and amenities that will be realized in strategic phases. These include an entertainment complex, a marina, the Al Zorah souks, and a retail center. The central marina, located in the heart of the peninsula, is focused around leisure and entertainment. Its perimeter will be lined with low-rise buildings, housing retail, leisure, entertainment, and dining outlets overlooking the water.

03 AL ZORAH COVES

Facing the mangrove forest and creek, this residential and hotel district is planned as a tranquil, high-end neighborhood and enjoys direct access to the mangroves flanking the waterfront promenade. Strategic massing will guarantee guests and residents magnificent views of the creek and mangroves. Coves West is composed of a sequence of 'magnets', each associated with a distinct waterfront development. Coves East is comprised of three high-density zones facing the creek and mangrove areas, each anchored around its own marina.

04 AL ZORAH FAIRWAYS

Located on the northern edge of the mangrove reserve, the 18-hole championship golf course is set partly within coastal dunes and partly within the mangrove wetlands. It boasts a clubhouse, a wellness spa, two upscale residential clusters, landscaped frontage on the conservation area, walkways, and community recreational facilities. Covering 1,000,000 square meters of land, the Fairways commands expansive views of the mangroves. The two residential clusters are comprised of villas, townhouses, and apartments. The residences flank the course and are bordered by a long, landscaped frontage facing the mangrove conservation area, which will incorporate walkways, recreational routes and other facilities. The total residential land area is 300,000 square meters.

05 AL ZORAH GATES

This district lies at the Sheikh Mohammed bin Zayed Road entrance of Al Zorah, where the highway transforms into a landscaped boulevard flanked by open green spaces that offer views of the golf course, the mangroves, and the creek. It is a dense, mixed-use area characterized by major retail facilities and high-rise towers. As the entranceway, Gates sets the mood for the development as a whole, enticing arriving residents and visitors with its lush landscaping and visual corridors that provide generous vistas over the site's natural and aquatic bounty.

LANDSCAPED ENVIRONMENT

A skillfully designed mixed-use development, where 60 percent of the land is devoted to public space and preserved mangrove forests.

The well thought-out detailed landscaping of Al Zorah is a key component, and lends the road network character and hierarchy. Landscaped sidewalks and medians provide natural shade for both pedestrians and vehicles, act as noise and visual buffers, and beautify public spaces and infrastructure.

Elements such as seating areas or sculptural features within the streetscape break up the linearity, lending a sense of discovery to moving through the development and creating a unique identity for each district. Adding vibrancy and aesthetic impact, colorful features combined with a complementary planting palette are placed against a neutral canvas of pacing and street furniture.

DEVELOPMENT

Al Zorah benefits from the expertise in master planning, land development, real estate, and hospitality, amassed by Solidere through years of experience in Beirut and passed on to Solidere International

The short-term and primary objective is to promote Al Zorah as a sophisticated lifestyle offering. First-Phase projects, which will position the development on the regional map as a vibrant mixed-use coastal living destination that capitalizes on its natural attributes, will affirm the project's identity and clarity of vision, and set the bar for its future success.

First-Phase magnets include two five-star resort hotels, a golf course with a clubhouse and associated villas, a boardwalk and beach club with beachfront residences, a wellness center, three serviced residential apartment buildings, four marinas, and a visitors' pavilion.

Work is currently underway and all necessary infrastructure and marine works are due for completion in 2015. The Al Zorah Company is currently engaged in the construction of two resort hotels — one of which is due in early 2016 — a residential cluster, golf course and clubhouse, and golf course villas. Other First-Phase projects are at different levels of the design phase.

THE OBEROI AL ZORAH

Land area 105,000 sq m *Beachfront* 290 m
Status Under construction

Operated by Oberoi Hotels and Resorts, a division of the Oberoi Group headquartered in New Delhi, the hotel is aimed primarily at high-end, wellness-focused guests. Currently under construction and rapidly progressing, The Oberoi Al Zorah will include a mix of hotel rooms, suites, and two- and three-bedroom villas. Amenities include a wellness spa, swimming pools, restaurants, and a 290 meter-long beachfront. Target opening date for the resort is the third quarter of 2016.

The design divides the resort into three platforms that run parallel to the sea, each carefully positioned according to function. As the platforms rise from the beach, their heights increase to guarantee sea views from all areas of the resort. The main hotel platform is composed of separate buildings connected by walkways, with shallow pools that extend across an inner courtyard where the main restaurant and amenities are located. An outer cladding of wood panels creates a play of light and shade as day changes into night, while pure, simple concrete volumes protrude from the facade in one continuous movement.

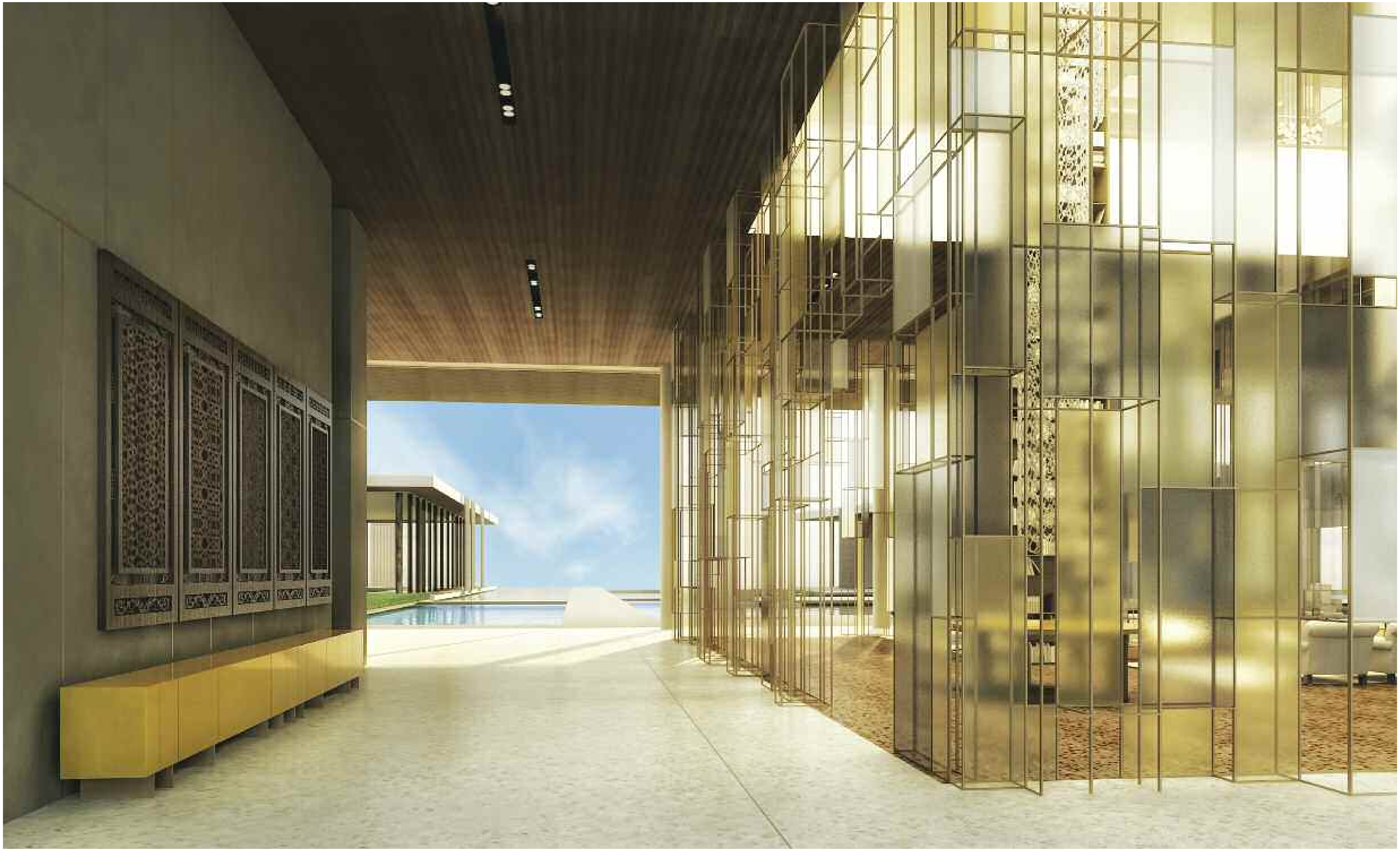
The second platform encloses three-bedroom villas, composed of interconnected volumes clad in smooth white stucco, with shaded terraces and large openings to the beachfront, as well as the spa, a private and secluded world composed of several small buildings placed closely together, that is inspired by the layout of an ancient medina. Each of the spa buildings hosts a specific amenity and is designed as a pure volume covered in smooth stucco.

The third platform is comprised of two-bedroom villas, formed by deep, cantilevered slabs that float over the ground floor to create a series of shaded internal and external living areas.

On the beachfront is a restaurant. Designed with a contemporary approach to traditional Arab architecture, it consists of several pavilions connected by walkways around a shallow pool.

VIEW TOWARD LOBBY TERRACE
Water features extend across the inner courtyard

MAIN LOBBY
Contemporary architectural style and intimate atmosphere



MAIN LOBBY
Open view over shallow pools
to the sea

MAIN RESTAURANT
At the center of the main hotel building, the restaurant seems to float above the pools

MAIN RESTAURANT
Sleek minimalism enhances the romantic outdoor setting

SWIMMING POOL AND BAR
A place to be enjoyed by day
and by night

TWO-BEDROOM VILLA
View from pool toward terrace and living area (above)
View toward the master bedroom across a water feature (opposite)

LUX*
AL ZORAH

Land area 90,653 sq m *Beachfront* 260 m
Status Under construction

Run by the well-known Mauritius-based hotel and resort operators, the Lux* will cater to families as well as to a younger, more energetic clientele and includes a number of entertainment venues and a 260 meter-long beachfront.

The ceremonial arrival hall sets the tone for the contrasting styles that lend individuality to this collection of buildings, home to a variety of rooms, suites, and private two- or three-bedroom beachfront villas. The architectural language is informed by hallmarks of contemporary Arab culture and respects local custom and lifestyle. Carefully designed landscaping, water features, and hardscaping elements link guest rooms and villas with public areas. The interplay between internal and external spaces creates a balance between communal and private areas while guaranteeing safety and security, paramount values for a resort of this type.

Currently under construction, this will be the first resort operated by Lux* in the region. Target opening date is set for the first quarter of 2017.

BEACHFRONT RESIDENCES
Landscaping extends down to the beachfront, creating a unified experience of the resort

HEALTH CLUB
Integrated spa, fitness, and lifestyle experience

TEA GARDEN
Relaxing environs suited to quiet contemplation

AL ZORAH
GOLF COURSE

Land area 700,000 sq m
Status Under construction

Laid out by Nicklaus Design and operated by world leaders, Troon, the golf course at Al Zorah covers a total area of 700,000 square meters and is planned for completion by December 1, 2015. Set in a protected natural landscape of sandy areas and mangroves, the par 72, 18-hole green includes extensive practice facilities, generous fairways, and wide corridors arranged around two large lakes that add to the challenge of the course and enhance its variety and playability.

GOLF COMMUNITY CLUBHOUSE

Land area 16,723 sq m
Status Tendering phase

With spectacular views of the surrounding green fairways and mangrove forest, the Golf Community Clubhouse includes everything necessary for a pleasurable playing experience, including a restaurant, lounges, changing rooms, separate swimming pools for adults and children, a gym, tennis courts, and other recreational facilities for residents and guests to enjoy.

AL ZORAH GOLF VILLAS

Land area 69,600 sq m
Status Under construction

Occupying a prime location on the periphery of the golf course, these two-level, four- and five-bedroom villas come in three sizes, and boast double-height entrance halls and lounge areas, semi-enclosed courtyards, additional outdoor rooftop space, and off-street parking. A continuous pedestrian route runs through this exclusive community, which is fast taking shape.

A distinctive component in the Al Zorah project, and covering 69,600 square meters, Golf Villas prioritize enjoyment of the outdoors. With expansive openings that frame views of the golf course, the villas are arranged in a fashion that nevertheless ensures the privacy of residents and protects them from neighboring properties and passers-by. Semi-enclosed courtyards provide secluded spots for a water feature or garden.

The double-height ceilings in the entrance and lounge areas accentuate a sense of interior luxury and add dynamism. As well as living areas and a kitchen, the ground floor includes a multivalent space that could be used as a formal *majlis* or a guest bedroom suite. Accessed from within the villa, the rooftop is sufficiently private to be used as an additional terrace for lounging and gathering.

Shaded off-street parking at the front of each villa accommodates two vehicles in a landscaped, formal arrival court. A discreet service area provides direct access to the parking area. The community also includes recreational space and visitor parking areas.

Currently under construction, villas are already available for purchase. The community will be ready to welcome residents by early 2016.

EASE OF ACCESS
Shaded parking and service entrance

THE BOARDWALK TOWER

Land area 7,652 sq m
Status Under design

Currently in the investment review phase, this innovative building houses 61 luxury serviced apartments with sea views and private amenities that include a panoramic swimming pool and gym.

The Boardwalk Tower is over 100 meters in height. Its facade is composed of generous, continuous balconies that create and enhance the building's fluid appearance as the horizontal lines defined by the slabs shift from floor to floor, creating the impression that the facade is in motion.The exterior is clad in vertical panels that protect glass facades from direct sunlight and ensure privacy for the apartments.

The Boardwalk Tower is set in generous landscaping, its one- to four-bedroom apartments spread over 24 floors. The penthouse floor is divided into two luxurious duplex units with superb 90-degree views of the sea. The ground floor is occupied by the lobby and building amenities.

A short pedestrian path connects the lobby to the Boardwalk area, a lively neighborhood featuring restaurants, shops, and a beach club. The Boardwalk Tower brings modern architecture to high-end, fully serviced apartments, in unique style.

BEACH RESIDENCES

Land area 40,932 sq m
Status Under design

Located adjacent to two of the district's world-class resorts, Beach Residences is a distinctive offering within Al Zorah—a secure, gated community of 21 villas and 113 apartment units, all of which are within 50 meters of the shore. With its own access to the development's pristine 1.6-kilometer beach, this resort-style residential community boasts levels of comfort, service, and finish usually associated with the world's top hotels.

The master plan relies heavily on landscaping, which serves the dual purpose of acting as an additional buffer between the site and its surroundings and links the various components of the development together. Split between apartments— which are arranged in a wall-like, stepped, and angled configuration at the top end of the development, where it flanks the main resort road at the ceremonial entranceway— and villas, the residential offerings are arranged over three terraces, which descend in height as they approach the shore.

Villas are set in their own gardens and come with dip pools and internal courtyards. An internal shutter system permits their configuration to be altered according to need. Apartments come in iterations of one-, two-, and three-bedrooms and are available in duplex and simplex format. All the residences are designed to emphasize transparency without compromising privacy, and are carefully oriented to ensure uninterrupted sea or—in the case of the garden-level apartments—garden views, further strengthening the indoor/outdoor, casual yet sophisticated lifestyle feel of the development.

A dedicated community center completes the development. The first-rate facilities include a gym, large adult and kid's pools, a well-equipped play area, and a multipurpose room that can be used for private celebrations, as well as community events.

BEACHFRONT VILLAS
A collection of secluded homes right on
the edge of the sea

BEACHFRONT VILLAS
The development's relaxed, luxurious outdoor lifestyle is designed to appeal to any buyer in search of a sophisticated seaside retreat.

APARTMENT COMPLEX
Blessed with panoramic views, apartments are within 50 meters of the shore

MARINA SQUARE SERVICED RESIDENCES

Land area 5,072 sq m
Status Under design

Designed as vertical villas with private gardens, this family-oriented serviced apartment building balances intimate interiors with infinite water vistas. Marina Square will benefit from its close proximity to nearby beach resorts and other facilities in Al Zorah.

The ground floor of the building encourages a flow of activity from the development's inner marina to the sea. Six residential levels, elevated on seven-meter-high stilts house apartments that are designed as small vertical villas, with private gardens and terraces between floating white slabs. The project as a whole resembles a treelike structure. A total of 68 units come in iterations of one- to four-bedrooms. The apartments will occupy a built-up area of 20,996 square meters.

LINEAR PARK SERVICED RESIDENCES

Land area 2,420 sq m
Status Under design

This innovative building, currently in the investment review phase, offers one- to four-bedroom luxury serviced apartments with sea views and private amenities, including a panoramic swimming pool and first-class gym. The penthouse level is comprised of four duplex units.

The curvilinear facade boasts balconies that help form and enhance the building's undulating appearance. Small gardens in double-height openings in the facade interrupt the building's horizontal lines and architecturally integrate greenery. Vertical panels protect the facade from direct sunlight and provide indoor privacy.

Linear Park is located in a landscaped area with a short pedestrian path linking it directly to the resorts, beach, and marinas. It will contain 27 units, ranging in sizes from one to four bedrooms, all with sea views over a total built-up area of 12,077 square meters.

BEACH CLUB, BOARDWALK, AND BEACH RESIDENCES

Land area 32,310 sq m
Status Under design

Currently in the investment review phase, the boardwalk is designed as a pedestrian spine that links the main vehicular circulation ways of the inner marinas to the beachfront. It is envisioned as a day and night destination, and accommodates a mix of retail outlets, restaurants, nightclubs, and other leisure activities. The design includes distinctive elements, such as a 'bridge bar' that connects the rooftop gardens of the project, which lend it visual distinction.

Right on the water, the beach club comes with 150 meters of beach frontage, along which are located a number of food and beverage outlets, a nightclub, a spa, a fitness center, and separate outdoor pools for adults and children with lounging areas.

At its southwestern edge, a barefoot-luxury residential complex, elevated on a slight plateau,is arranged around a large internal courtyard, private gardens, and courtyards overlooking the beach.

Visually, the Al Zorah Boardwalk, Beach Club, and Residential complex are subtly interconnected, their architecture reflecting the symbiotic relationship between the components.

WADI QORTUBA

A CONTEMPORARY, LOW-RISE COMPOUND FOR EXPATRIATE RESIDENTS, IN LUSH LANDSCAPING. NAMED AFTER THE WATER-FILLED TRANSVERSAL PARK THAT RUNS THROUGH ITS CENTER, THIS IS THE URBAN OASIS, REIMAGINED.

WADI QORTUBA

Objective Development of a high-end, expatriate residential compound
Ownership 85.03% *Location* Qortuba *Land area* 270,350 sq m
Total BUA 153,000 sq m residential compound and 30,000 sq m retail
Fund manager BLOMINVEST Saudi Arabia

Situated in the northeastern part of Riyadh, Wadi Qortuba is a contemporary low-rise compound designed for expatriate residents. A mix of villas and apartments set in lushly landscaped surroundings, the development is named after the water-filled transversal park that runs through its center, roughly on a north–south axis.

Wadi Qortuba is all about community and indoor–outdoor living. It is also designed to be as pedestrian-friendly as possible, to reduce the need for residents to drive in the compound. The Wadi itself forms the core of a heavily-vegetated pedestrian network—much of it in and around the central core—that links leafy squares, peripheral strips of garden, water features, and playground areas, via shaded walking routes. This network of greenery and public space is designed to encourage the pursuit of a healthy, green lifestyle in the heart of the city.

Apartment buildings are located along the southern and western perimeters, while a more permeable center, comprised of villa clusters, is laid out to permit greater interaction with the landscaped environment. A sweeping boulevard extends from the main southern entrance to the retail strip along the northern edge, and a private, high-end clubhouse completes the offerings in this urban oasis. Architectural diversity—a distinguishing feature—lends the development the kind of diversity and individuality that similar compounds often lack, but all structures sit comfortably within the landscaping.

Designed as a response to Riyadh's rapidly rising profile, the project is expected to attract a diverse mix of expatriates who reside in Riyadh with their families. It will also address the growing rental demand for smaller apartments aimed at young professionals.

THE SITE

A contemporary compound to accommodate a variety of expatriate lifestyles in a landscaped environment complemented by a range of facilities and services

Strategically located in the up-and-coming Qortuba District, the development sits along the southern frontage of Thumamah Road about 1.6 kilometers east of the Airport Road. It is situated in the vicinity of many of the city's other expatriate compounds and is within a short driving distance of major commercial hotspots, including the King Abdullah Financial District, Kingdom Tower, and Faisaliah Tower, the city center, and several high-end shopping destinations. Site access is exceptionally advantageous as it benefits from Riyadh's upgraded ring road network.

01 Wadi Qortuba **02** Princess Nora Bint Abdulrahman University **03** King Khaled International Airport
04 Kingdom Compound **05** Romaizan Compound **06** Al Imam Muhammad Ibn Saud Islamic University
07 Cordoba Compound **08** Arizona Compound **09** Al Nakhla Compound **10** Hamra Compound

SITE WORKS

95 percent of the structural works for the villas and apartments have been completed

Following excavation and grading, 95 percent of the structural works for the villas and apartments have been completed to date and mechanical, electrical, and plumbing and finishing works have started in several locations. A mock-up villa has been constructed to serve as a guide for finishing the rest of the site.

THE MASTER PLAN

Company Solidere Qortuba *Developer* Solidere International
Urban design Solidere International *Land area* 270,350 sq m
Completion end 2016

In creating this inviting and livable oasis, careful landscaping of all outdoor areas has been prioritized. Accessed via a sweeping central boulevard, Wadi Qortuba is characterized by its expansive parkscape and easy connectivity between residential clusters. The innovative, leafy, and highly functional design results in a convivial lifestyle.

Blending a variety of modern typologies, apartment buildings occupy two sides of the development's perimeter and surround central clusters of villas. Thus, density becomes lower and more permeable as you move toward the center. This strategy maintains view corridors to the transversal wadi-style water feature running across the compound, which is flanked by a leafy access road that links the different communal clusters and the main entrance.

This kind of development layout, pioneered in Holland where it is known as Woonerf-style urban planning, assures each neighborhood a protected communal environment that is open and yet intimate at the same time.

The master plan is based on a deep awareness of and sensitivity towards Riyadh's climate and environment, which is reflected in everything from infrastructure to architectural design, to ensure the livability and the sustainability of the project. A sense of diversity is achieved through the introduction of different unit layouts. The indoor–outdoor, active communal lifestyle the compound promotes is complemented by activities offered at the central clubhouse.

WADI QORTUBA
MASTER PLAN

WADI QORTUBA
MASTER PLAN

THE COMPONENTS

DETACHED VILLAS

The largest in terms of size, the architecturally diverse stand-alone villas are located in prime locations within the Wadi Qortuba compound, along the green boulevard. Interiors are large and airy living areas. Villas come in iterations of four or five bedrooms. All have individual back gardens that overlook the Wadi or the boulevard.

SEMI-DETACHED VILLAS AND TOWNHOUSES

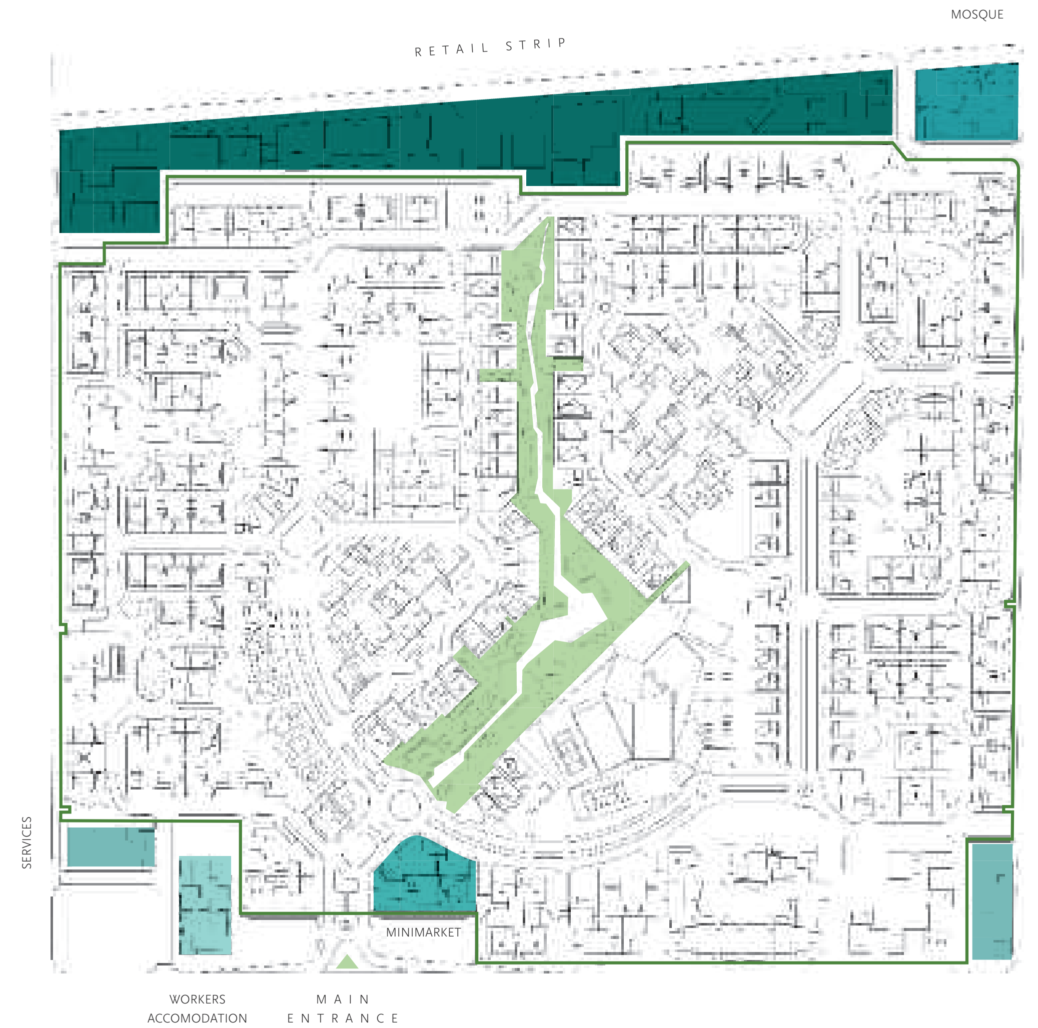
Organized in convivial, pedestrian-friendly clusters, the four-bedroom semi-detached villas and three-bedroom townhouses are arranged around a communal park at the center of each neighborhood, adjacent to a children's playground and community pool.

COURTYARD HOUSES

Located in two neighborhoods within close proximity of the Wadi, these houses feature an internal courtyard which benefits from natural lighting and acts as the heart of the home. As with all interiors, the three-bedroom design has been thoroughly considered in every aspect, to offer a comfortable style of living.

APARTMENT BUILDINGS

Low-rise apartment buildings with one- or two-bedroom apartments are located at the southern and southwestern edges of the compound and are grouped around small-scale communal gardens that open up and connect to the main landscaped areas.

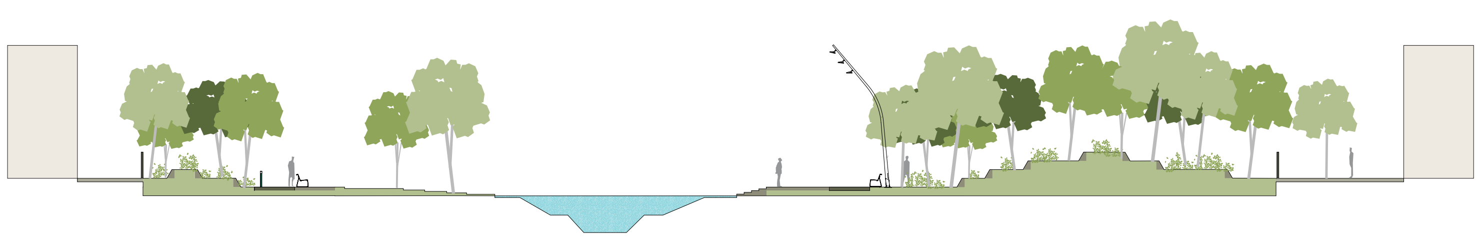


LANDSCAPE SCHEME AND AMENITIES

LANDSCAPE SCHEME

The master plan relies heavily on landscaping and hardscaping as principal elements in creating an oasis for living, with careful treatment of all open and outdoor areas, including private and public gardens, alleyways, and service pathways.

One of the main attributes of the compound is the Wadi. A contemporary interpretation of an oasis, the Wadi is a water feature that runs through the center of the compound to the main entrance, creating a distinctive topography surrounded by greenery. The Wadi Walk, a four-kilometer series of walking, jogging, and cycling trails, connects the Wadi to neighborhood parks and gardens.



SERVICES AND AMENITIES

At the center of the transversal park stands a first-class clubhouse, whose distinguished contemporary architecture blends in with the surroundings. The clubhouse features several recreational sport facilities, including an outdoor swimming pool for adults and a shaded children's pool with adjacent play area; separate female and male changing rooms and steam and sauna rooms; a spa including treatment room, steam room, and sauna and dedicated changing/shower facilities; an indoor lap pool; two bowling lanes, two squash courts, and three tennis courts of which one is indoor; and a gym and fitness room.

The clubhouse also accommodates a pool bar, pool café, and formal restaurant and bar; a screening room, meeting room, and library; and a children's area and auditorium, teen lounge, and billiards. Finally, an adjacent plaza, a terrace overlooking the Wadi, and a landscaped lawn can be used for outdoor events.

At the northern edge of the compound, a commercial strip further enhances the quality of life in Wadi Qortuba, by giving residents easy access to a retail area filled with lifestyle components.

The compound also features around-the-clock concierge, security, and property management services, as well as ample parking.

THE WADI
A contemporary interpretation of an oasis, the Wadi, surrounded by greenery, runs transversally through the compound

NEIGHBORHOODS
Townhouses and semi-detached villas feature a communal park at the center of each neighborhood, adjacent to a children's playground and a community swimming pool

APARTMENT BUILDINGS
The contemporary low-rise apartment buildings embrace a landscaped environment connected by bicycle- and pedestrian-friendly roads and alleyways

COURTYARD HOUSES
Distinct in character, courtyard houses form clusters that are interconnected by pedestrian walkways

APARTMENT BUILDINGS
Contemporary low-rise apartment buildings are designed around the 'living street' concept, where pedestrians and cyclists have priority over motorists

APARTMENT INTERIOR
Apartments are conceived as
vertical villas, with terraces and serene views

COURTYARD HOUSE INTERIOR
Courtyard houses feature an internal
courtyard, which acts as the heart of the home

THE CLUBHOUSE
At the center of the transversal park, the clubhouse adheres to the highest standards in sports facilities

WADI QORTUBA MOSQUE
Minimalist in design and featuring a flow of planes and ramp promenades, the Qortuba Mosque encompasses a courtyard and elevated, cubic prayer space

GOLDEN TOWER

AN ELEGANT, LUXURIOUS LANDMARK ON THE NORTH SIDE OF JEDDAH'S SEAFRONT PROMENADE, THE REFINED APPEARANCE AND UPLIFTING INTERIOR SPACE IS ENHANCED BY DISTINCTIVE AMENITIES AND SERVICES.

GOLDEN TOWER

Objective Development of a 48-story, high-end residential tower **Ownership** 50% joint venture with local partner **Location** North of Jeddah **Land area** 5,295.22 sq m **Gross BUA** 60,737 sq m

Located on the western coast of Saudi Arabia, Jeddah is one of the Kingdom's most cosmopolitan cities. As the largest Red Sea port and the traditional gateway to the holy cities of Mecca and Medina, it is second in size only to Riyadh.

Currently undergoing major upgrades to its infrastructure, Jeddah is the location of a number of megaprojects in the tourism, industry, and real estate sectors. A dynamic commercial hub and major urban center, it is home to a growing population of high-income professionals, both local and expatriate, amongst whom there is rising demand for high-end residences.

In response to this demand, Solidere Saudi Arabia, a subsidiary of Solidere International, is developing Golden Tower, a new concept in high-end residential living for Jeddah that raises the bar for future developments and complements the city's aspirations.

Developed by the Golden Tower Company—a joint venture between Solidere Saudi Arabia and a local partner—this elegant landmark on the north side of Jeddah's seafront promenade is divided into luxurious apartments and duplexes, each endowed with expansive sea views that are designed in a way to respect and preserve the privacy of residents. Golden Tower's refined appearance and uplifting interior space is enhanced by distinctive amenities and services, and brings Solidere International's trailblazing standard of living to Jeddah.

An elegant and rational solution, Golden Tower caters to the exclusive, modern luxury lifestyle increasingly sought in the Kingdom. Simultaneously, the layout, amenities, and design of apartments respects Saudi cultural norms and requirements, providing for the quick and easy segregation of living areas, into either public/family and/or male/female areas, when needed. The same sense of privacy is further enhanced by lobbies on each floor that ensure the social discretion essential to Saudi family life. The sensitive design achieves this by balancing contemporary form and function with protected, secluded living, and the result is a sophisticated take on contemporary Saudi life, one that offers residents maximum living enjoyment without ignoring accepted societal norms.

THE SITE

A strategic location on the Corniche offers ease of accessibility and convenient proximity to the city center and vital amenities

Serviced by four roads, Golden Tower is easy to access and its privileged site on the northern side of Jeddah's popular seafront promenade, the Corniche, not only confers upon it sweeping Red Sea views but also conveniently locates it in close proximity to the city center and the airport, as well as to the city's business districts, retail, and leisure destinations.

THE DESIGN

Net BUA 34,000 sq m *Completion* 2016

In a contemporary take on traditional architectural typologies, the irregular layers of the facade lend the tower a sense of dynamism and also evoke the sedimentary striping of earthen watchtowers, a regional architectural leitmotif. The staggered layering, achieved through the collation of glass, fret glass, and stone bands, has the practical purpose of creating alternating bands of transparency. Thus, the building becomes translucent where privacy is less necessary and opaque, or entirely impenetrable where protecting it becomes paramount. This sensitive use of different kinds of glass cladding ensures that external views are maximized and interiors are flooded with natural light, without ever compromising the intimacy and privacy of residents.

Embodying the highest standards of living, Golden Tower is conceived in poetically understated architectural form. Sleek and modern, the tower's silhouette is defined by a minimal shift in volume which, when combined with the exterior banding, reads as continuations of the roof levels of nearby buildings, 'softening' the tower's profile, smoothly integrating it into its surroundings.

Internally, Golden Tower continues to innovate, albeit with a close eye on existing social norms. Each apartment has its own private lobby and comes in iterations of three, four, or five bedrooms. Flexible floor plates can be configured in a variety of different ways, permitting each apartment to feel unique. Finished to exacting standards, they are suited to the widest variety of tastes and lifestyles. All units come with sizable en suite bedrooms and spacious living areas furnished with uninterrupted sea views. Ample service quarters are discretely connected to each.

A number of duplex units located throughout the tower, as well as the trophy residences occupying the top floors of the tower, set even higher standards in elegance and style, and boast private loggias and discretely concealed terraces that overlook Jeddah's lively Corniche and the Red Sea.

COMPONENTS

An exceptional interior layout designed to maximize privacy divides the main lobby into two separate hallways, each with three elevators. This means that residents will never have to wait for the elevator and will almost never have to share one—guaranteeing a swift, smooth and private ride.

Entrance to the impressive nine-meter ceilinged lobby is via an exclusive drop-off area, embellished with water features. Secondary access is available through the four-story ventilated parking and service podium structure to the building's rear.

A multitude of amenities, including landscaped gardens, a floor of wellness facilities featuring separate male/female gyms and indoor swimming pools, and multipurpose areas with a kids' playroom, ensure residents live the difference.

The podium comes with four levels of parking for residents and visitors alike. For added convenience, a series of self-contained rooms with shared utilities provide a considerate, culturally sensitive option for housing on-duty drivers. Additional amenities include advanced building management systems and a state-of-the-art security system provided by a video surveillance system that includes around-the-clock CCTV camera coverage.

DEVELOPMENT

The tower introduces new standards of living to the Kingdom's real estate market

In developing a landmark residential project on the coveted north side of Jeddah's Corniche, Solidere International has its sights set on introducing Saudi Arabia's rapidly-growing and increasingly selective market to the kind of high-end, cutting-edge, contemporary yet culturally-sensitive, premium products that have not, until now, been readily available. Built in just three years (completion 2016), Golden Tower will introduce new standards of living that are certain to be felt throughout the Kingdom's real estate market.

(Above) High-speed, state-of-the-art elevators ensure a smooth and efficient trip to each apartment's private lobby

(Opposite)The tower's impressive lobby boasts nine-meter-high ceilings and generous proportions with comfortable relaxation areas

MODERN INTERIOR
Reception and loggia

MODERN INTERIOR
Duplex reception

RAYAT OBHUR

A NEIGHBORHOOD-STYLE DEVELOPMENT THAT OFFERS PRIVACY AND INTIMACY WITHOUT ISOLATING INHABITANTS FROM THEIR SURROUNDINGS AND WHICH BALANCES COMMERCIAL REALITIES AGAINST AN EXACTING CONCEPT.

RAYAT OBHUR

Objective Investment and land development ***Ownership*** 50% of the Fund ***Location*** North of Obhur, Jeddah ***Land area*** 1,000,000 sq m of which 50% has been acquired by the Fund
Fund manager BLOMINVEST Saudi Arabia

Located in the northern quarter of Obhur, a district of Jeddah bordered by the Creek and the Red Sea, and well known for its yacht and beach clubs, Rayat Obhur occupies a prime spot in one of the city's most highly sought-after residential neighborhoods.

The development is the result of a partnership between Solidere International and a major Saudi conglomerate, which led to the establishment of a real estate Fund to acquire 50 percent of a one million square-meter plot of land on Prince Abdulmajeed Roundabout. The remaining 50 percent of the site is owned by a second party.

A partition agreement between the Fund and this second party regulates the subdivision of the entire parcel, including the completion of infrastructure work and the issuing of new title deeds to the parcels. The SAR600 million Fund is regulated by the Saudi Capital Markets Authority and will operate under the Authority's Investment Fund regulations.

Contracted in the role of land developer, Solidere International has applied its expertise to upgrade and enhance the pre-existing and already approved master plan for the site, to create a concept that is both more market-friendly in terms of plot parcellation and more varied and inventive in terms of the architectural typologies introduced.

The result, which demonstrates the added value the Company can bring to projects it is not developing, is the creation of two pedestrian-friendly residential communities, each arranged around a central park. Targeting middle-class owners, this new community will also benefit from a strategically located mosque, and a commercial strip that acts both as a convenience and a buffer zone from the surrounding city and roads.

The community-oriented, neighborhood-style development respects cultural norms by offering residents privacy and intimacy without isolating them from their surroundings, and delicately balances commercial realities against the desire to create an exacting concept.

Rayat Obhur has a target Fund termination date of three years from inception.

THE SITE

Located in the emerging North Obhur district, Abdulmajeed Land is a mere six-kilometer drive from the main tourist destinations, coastal resorts, and King Abdulaziz Sports City

Just off the main roundabout on Prince Abdulmajeed Road, Rayat Obhur is well connected to the city. Situated four kilometers from the Kingdom Tower and a 600-meter drive from Madinah Road, which connects to central Jeddah, Obhur Coastal Road and the city's numerous beach resorts are just a short drive away.

The plot is also located close to a number of major universities and health facilities, among them Batterjee University, Thuraya College, and the North Jeddah General Hospital.

As an emerging district, Obhur is currently undergoing an extensive upgrade to its infrastructure, including the construction of a municipal sewage network, to ensure that the district is capable of fully supporting an international-standard real estate development of the caliber of Rayat Obhur.

THE DESIGN

The existing master plan for Rayat Obhur, approved by authorities in 1994, divided the one million square-meter site into four quadrants. In compliance with the terms of the Fund's development agreement, Solidere International's role as land developer is to upgrade and enhance the master plan as it applies to Rayat Obhur (the two quadrants of Abdulmajeed Land owned by the Fund), while taking into account pre-determined zoning for roads, green areas, and public facilities that include commercial areas, schools, mosques, and parking lots.

Solidere International took a creative response, that breathed fresh life into the plan by creating new typologies of residential clusters that cater to increasing local demand for modern communities.

By subdividing the blocks, Solidere International's urban designers proposed smaller plots of land that are more responsive to market needs and are optimized towards the development of detached villas and duplexes/semi-detached villas. The wider range of plot typologies that result from this upgraded master plan increases choice and fosters a sense of individuality and variety lending added intrinsic value to the project.

THE DEVELOPMENT

As part of its mission to create places that live, Solidere International pays as much attention to the connective and emotional fabric of a site as it does to the buildings that give it shape. In residential projects, especially those that are designed to be as self-contained as possible, this is reflected in a focus on human-scale design, road networks that are efficient and yet pedestrian-friendly; inviting open spaces and greenery that lifts the spirit, and the careful integration of everything the average family needs, from schools and shops to a mosque and other community spaces.

As land developer, Solidere International is in the process of installing infrastructure across the entire one million square-meter site.

Ground has already been broken on the project. The contractor is busy putting in place the necessary infrastructural work, including internal roads, utilities, water supply, and drainage. This phase of the project is on track for delivery by the end of 2015. The construction-ready plots will then be sold by the Fund to third-party developers.

Solidere International has reached out to select operators to develop international-standard offerings in the realms of healthcare, education, and retail, as well as other services, which will be built along the peripheries of the Project, sensitively shielding residential areas from the bustling city beyond.

AL MALGA DEVELOPMENT

DISTINGUISHED BY ITS LEAFY, LANDSCAPED MIX OF SEATING AREAS, PLAYGROUNDS, SHADED WALKWAYS, AND WATER FEATURES, THIS IS URBAN LIFE AS IT SHOULD BE.

AL MALGA DEVELOPMENT

Objective Investment and land development
Ownership 50% ***Location*** Northern Riyadh
Land area 1,000,000 sq m ***Fund manager***
SaudiMed Investment Company

In the northwestern corner of Saudi Arabia's capital, a new residential district is emerging. Al Malga's high-quality infrastructure and exceptional accessibility to the most important parts of the city, its landmarks, and the King Khaled International Airport, make it one of the most sought-after parts of the city on the market.

In partnership with a major Saudi conglomerate, Solidere International established a real estate Fund to acquire the one million square-meter parcel of land on which the Al Malga Development is to be built. Regulated by the Saudi Capital Market Authority, the SAR1.25 billion Fund operates under the Investment Fund Regulations. The Company holds a 50 percent stake.

Solidere International has been assigned by the Fund's managers to act as the land developer. The Company's scope of services consists of urban design and master planning as well as supervising the preparation of infrastructure studies, ensuring their implementation, and selling the serviced parcels to third-party developers. Solidere International may elect to develop specific parcels within the Project.

A contemporary residential development in the city but with a community feel, Al Malga Development is distinguished by its careful attention to public areas—a leafy, landscaped strip of seating areas, playgrounds, shaded walkways, and water features, that meanders gently through the development. With a focus on reimagining the way urban residential life should be, the development takes advantage of Riyadh's year-round climate to provide ample opportunities for indoor–outdoor living, setting new parameters in urban Saudi living that nevertheless respect cultural norms.

The project is envisioned as a distinctive addition to a prized neighborhood, one with a strong value proposition based on solid fundamentals, well-planned amenities, and exceptional design.

DEVELOPMENT STRATEGY

As it experiences strong demand for upscale residential development, the Al Malga district presents great potential for proposing alternative retail solutions that meld open piazzas and pedestrian walkways with integrated entertainment and high-end lifestyle activities in a unique urban environment.

As a land development project bearing the Solidere International brand, it is expected that as Al Malga's residential components emerge, they will be carefully and harmoniously integrated into the landscape networks,a reflection of the Company motto, Places or Life.

The project presents a value-creation cycle that allows for land sales, development activities, and long-term revenue generation, through managed facilities.

THE SITE

Located in the Al Shemal municipality of northern Riyadh, Al Malga lies inside Riyadh's 'Golden Triangle', one of the capital's most dynamic emerging districts, between the First and Second ring roads to the west of King Fahd Road. The former provides direct access to the site via Anas Ben Malek Road, while the latter conveniently connects Al Malga to King Khaled International Airport. Prince Turki Road links the development to the Diplomatic Quarter and Riyadh city center.

The project sits on a 25-meter rise, giving it sweeping views of the King Abdullah Financial District, Riyadh's rapidly emerging financial hub, to the southeast, and sunset views to the west.

Due to the Al Malga district's relatively recent emergence as a residential district, its utilities infrastructure and road networks are top-notch, another reason why the area has experienced great demand in recent years—as the burgeoning number of real estate projects underway attests.

Adding to the area's appeal, a number of well-known business and academic institutions, among them the highly respected Najd National Schools, are planning to relocate there.

THE CONCEPT

The master plan takes all the components of a modern lifestyle into consideration while emphasizing the calm and tranquility essential for any successful residential environment.

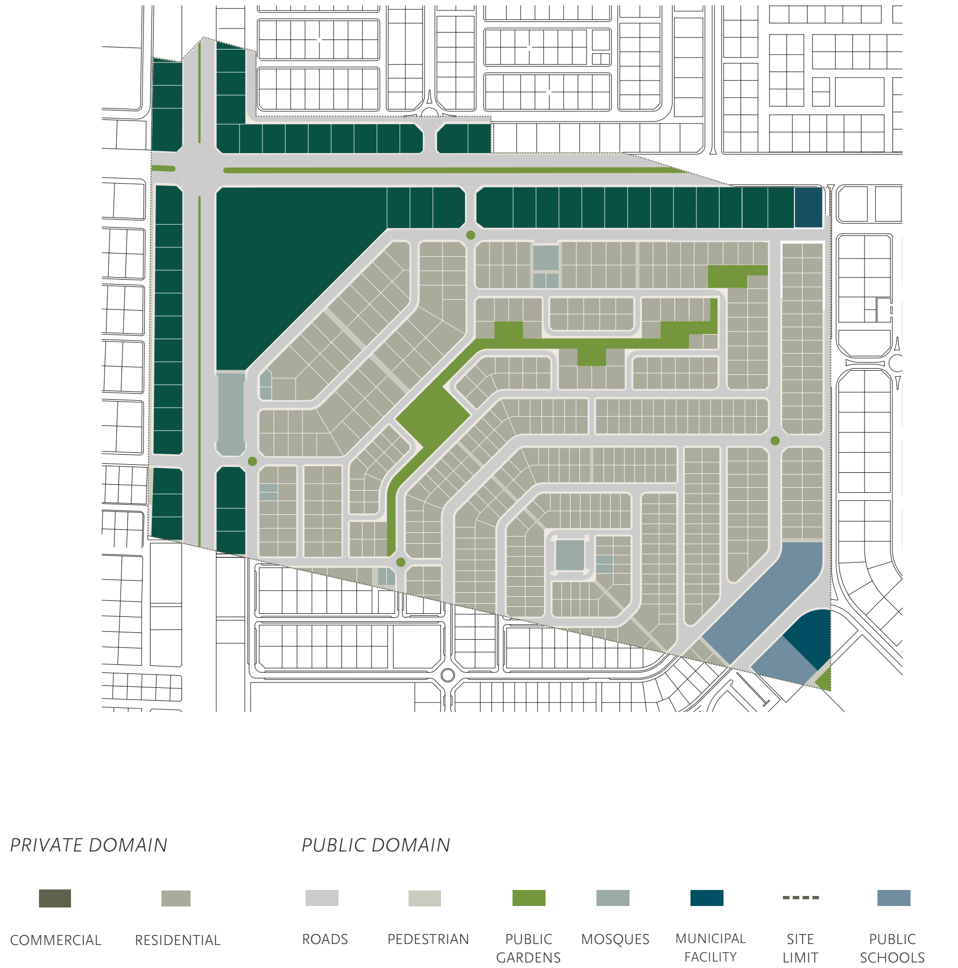
To fully leverage the site's advantages—its location at the intersection of Prince Turki and Anas Ben Malek roads and key assets like view corridors and a sloping topography—the development's design concept is based on a series of tiered residential platforms.

A pedestrian network of shaded esplanades and alleyways forms a green spine. Punctuated by a central public square and a series of smaller, multi-purpose squares, it traverses the development, weaving its way through residential clusters.

Generous, shaded pedestrian passages and alleyways run across the site to intersect at the main square, giving residents the option of walking.

Landscaped traffic islands dot the road network, which features well-finished sidewalks and extensive guest parking lanes divided by planted verges, and add to the development's green appeal and reinforce the pedestrian-friendly feel.

Finally, a commercial strip running along the northern and western edges of the site not only caters to resident needs, but also creates an effective buffer zone between the community and the adjoining 60-meter arterial road.



COMPONENTS

Solidere International has attributed 41 percent of the project—including roads, walkways, schools, mosques, gardens, and municipal facilities—to the public domain. This is one percent more than the 40 percent mandated by Saudi law.

Of the private land, 33 percent is zoned for commercial use and 67 percent for residential use. After it is equipped with a world-class infrastructure, the land will be parceled and sold to third parties, who are expected to build in accordance with the recommended development guidelines prepared by Solidere International.

Plots for sale will benefit from the unique urban environment, which with its extensive pedestrian network and spacious landscaped sidewalks, will enhance the public domain beyond a level found in most developments of this kind and a variety of plants and mature trees have been imported to enhance landscaping. Thus, a product carrying the Solidere International trademark will be introduced to one of the most prestigious suburbs of Riyadh.

The commercial strip, which may be developed by Solidere international, is separated from residential areas by green buffer zones and a wide street. The strip will include high-end lifestyle components such as a boutique hotel, a kindergarten, community-oriented retail shops, open areas, piazzas, and urban promenades, aimed at serving the local community, as well as visitors.

AL MALGA
COMPONENTS

AL MALGA
COMPONENTS

TILAL OBHUR

AN UPSCALE, LEAFY, SEMI-GATED RESIDENTIAL COMMUNITY AIMED EXCLUSIVELY AT A DISCERNING SAUDI CLIENTELE WITH A UNIQUE TWIN-LAYERED LAYOUT AND FORWARD-THINKING MASTER PLAN.

TILAL OBHUR

Objective Investment and land development ***Ownership*** 56.4% ***Location*** North of Obhur, Jeddah ***Land area*** 184,540 sq m ***Fund manager*** BLOMINVEST Saudi Arabia

Located in the heart of the rapidly developing district of Obhur, in northern Jeddah, the Tilal Obhur development is a contemporary, upscale, lushly landscaped residential neighborhood, positioned exclusively for a Saudi clientele.

The Master Plan is distinguished by a layout that places an emphasis on greenery and a street pattern that abolishes through traffic and favors pedestrians. In essence, the development is composed of a tree-lined loop boulevard, linked to a series of six landscaped semi-private piazzas arranged in two columns of three, around which plots dedicated for detached villa residences are clustered. With its dynamic of internal openness, the development has a distinctly neighborhood feel and a sense of place.

A somewhat unique product on the local market, Tilal Obhur is conceived around a forward-thinking master plan with a higher level of urban design sensitivity compared to most land subdivision projects in the Kingdom. The generosity of its landscaping and public spaces raises the quality of life for residents and the community feel this creates responds to the modern residential lifestyle to which the young clientele targeted by the project aspire. Simultaneously, an awareness of cultural norms and sensitivities ensures that tranquility and privacy are preserved, considerations of paramount importance to homebuyers.

Responsible for master planning and development, Solidere International has optimized the balance between the development's public and private domains, allocating 62.2 percent of the 184,540 square-meter area to the private domain and the remaining 37.8 percent to the public domain. The latter is composed of a commercial strip and retail anchor, two mosques, a community retail block as well as landscaped areas and roads.

PROJECT OVERVIEW

Development and urban design Solidere International
Land area 184,540 sqm *Semi Gated Community* 25.2% 46,542 sqm *Private Domain* 62.2% (114,802 sqm)
Public domain 37.3% (69,738 sqm)

THE SITE

The site is directly accessed from Jeddah's seafront Corniche to the south and the Prince Abdullah Al Faisal Road to the northeast. It is approximately two kilometers north of Prince Abdulmajeed Road.

Obhur is fast becoming a prime a destination of choice for residential and commercial development. A number of colleges and universities have also developed in the area in recent years.

THE CONCEPT

The master plan for the Tilal Obhur project is based on a two-layered urban morphology; an external layer, composed of mixed commercial and residential space and an internal layer, arranged around a linear park that is mainly dedicated to the residents. Some 50 meters in depth, the external layer functions as a protective belt and wraps around the inner residential core. This organic layout maximizes security and privacy for residents, while simultaneously ensuring that they don't feel cut-off from the wider surroundings.

A loop road separates the two layers, further enhancing the role the external layer plays as buffer zone. This road connects the community with Obhur's Corniche and an already existing road to the south. Six clusters of detached villas, arranged in two columns of three, branch off this loop road. Each cluster is organized around a landscaped open-ended cul-de-sac that prevents through traffic and slows car movement to and from dwellings, ensuring a safer neighborhood for children. With generous dimensions, the cul-de-sacs act more as piazzas and their far ends provide direct pedestrian access to the shared central park and to the clusters of villas on the other side of the park.

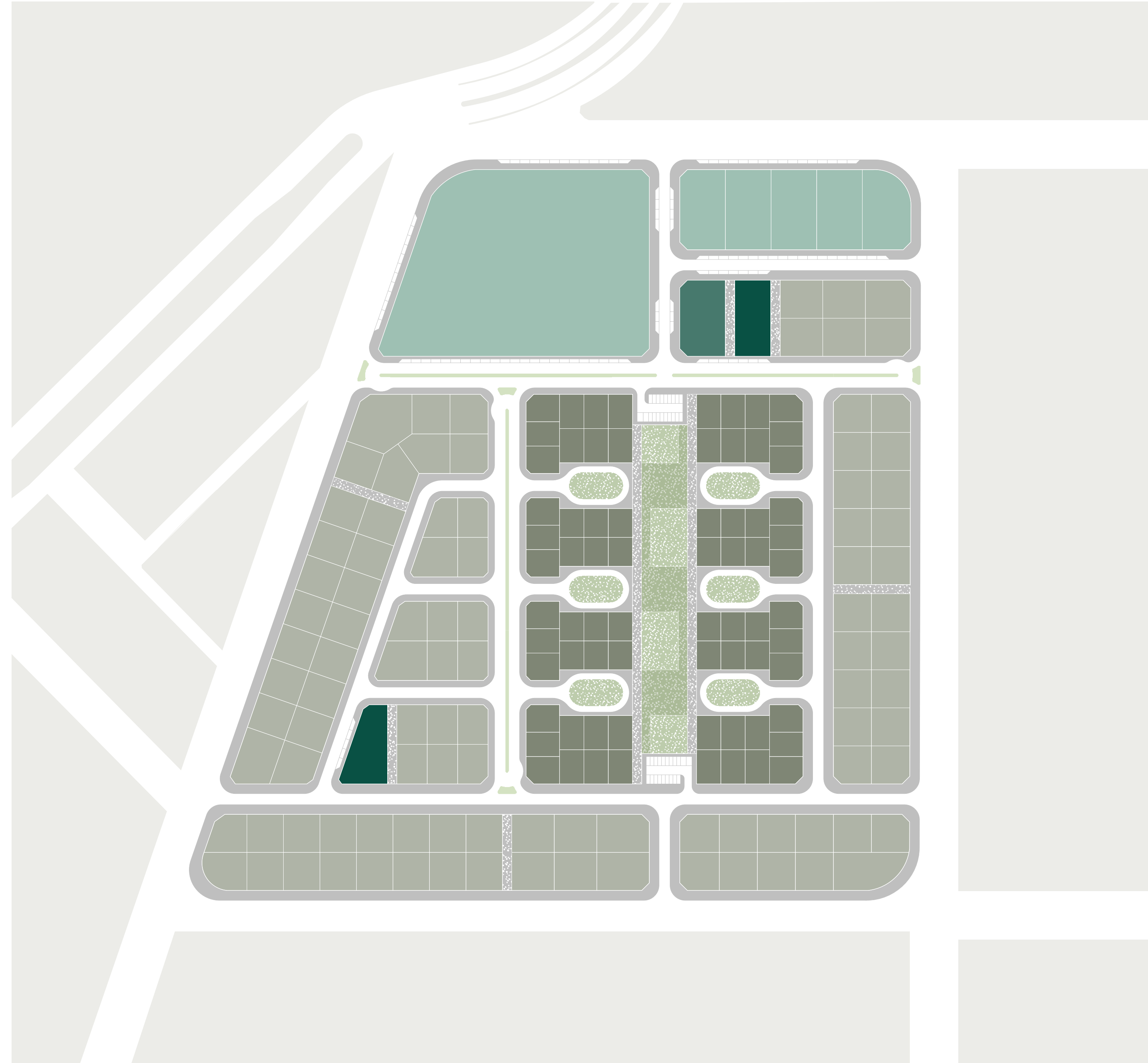
The landscaping of this linear park, as well as that of the development's shaded walkways, islands, and planted verges, softens and beautifies the neighborhood, and creates a local microclimate that ensure it remains pleasant to use for most of the year. The park connects residents to the retail strip and mosque to the north and to a second mosque to the south, providing a pleasant, car-free way to navigate within the neighborhood.

Project approvals are expected this year, after which infrastructure work will be launched.

COMPONENTS

Tilal Obhur's external layer is made up of a commercial strip that runs along the site's northern boundary. It includes a retail anchor at its most strategic corner, two neighborhood mosques at the northeastern and southwestern corners, community retail, and plots for semi-detached duplexes along the eastern, western, and southern peripheries.

These plots will be made available for sale to third-party developers. The retail anchor will be visible and directly accessible from the Corniche. Behind it, an area of landscaped terraces will house coffee shops and restaurants, for the use of residents and shoppers alike.



RESIDENTIAL FOR SALE	RESIDENTIAL FOR DEVELOPMENT	COMMERCIAL	PUBLIC SPACES	MOSQUE	COMMUNITY RETAIL	ROADS AND SIDEWALKS	PEDESTRIAN
34%	13.5%	14.7%	3.5%	1.3%	0.8%	29.6%	2.5%
62,681 SQM	24,984 SQM	27,137 SQM	6,480 SQM	2,448 SQM	1,475 SQM	54,677 SQM	4,658 SQM

UPTOWN PARK

A HIGH-QUALITY, HARMONIOUS URBAN DEVELOPMENT WITH DISTINCT IDENTITY AND CHARACTER, AND A FOCUS ON CREATING AN INSPIRING BUILT ENVIRONMENT TO FOSTER COMMUNITY LIVING.

UPTOWN PARK

Objective Development of a high-end residential, gated community ***Ownership*** Interests and rights totaling 35% of the project ***Location*** Hazmieh ***Land area*** 90,921 sq m (in addition to 17,976 sq m of land for sale)

Solidere International has embarked on the development of a high-value, primarily residential project that occupies a lightly forested 90,521 square-mete site with 360-degree views of the mountains, Beirut, and the Mediterranean. The aim is to create a community that makes the most of the site's prime geographic and topographic location, easy accessibility, and natural beauty.

Conscious that plots of such size and caliber so close to the city, rarely become available, Solidere International has chosen to preserve as much of this wooded site in Hazmieh, a rapidly growing hill suburb of Beirut, as possible. Thus, an existing heritage structure—a nineteenth-century sandstone courtyard villa—is earmarked not just for preservation but also for repurposing and reuse, fully integrating it into the development. Conscious of the enormous appeal the greenery presents, buildings will be strung around the periphery to protect the natural landscape and enhance it for residents' use and enjoyment. Promoting an indoor–outdoor community-oriented lifestyle, Uptown Park is almost as much a development within a park as it is a development with a park.

The relationship between the landowner of the site, NCREP, and Solidere International is governed by a Professional Services Agreement (PSA) dated January 7, 2010. The agreement covers the delivery of services pertaining to real estate development and management, corporate reporting and publications, marketing and sales, and property and retail management, as well as matters of corporate finance, cash management, insurance, and claims.

THE MASTER PLAN

Owner NCREP *Developer* Solidere International
Urban design Solidere International *Infrastructure* Dar Al Handasah and Solidere International *Land area* 90,921 s qm

Uptown Park is a contemporary urban development of high-quality, architecturally harmonious residential buildings that addresses Beirut's growing appetite for smaller apartments. Attention to detail and a focus on an inspiring built environment that fosters community living, the mixed-use development has its own distinct identity and character, a characteristic outcome of developments designed to Solidere International's exacting standards.

Among the residential offerings are two signature high-rise towers with a landscaped entrance that overlook the central park and serve as beacons marking the entrance to the development. A third tower, planned for a strategic location, will command stunning views over the surroundings without overshadowing the intimate, community feel of the development.

The project is primarily residential, with some commercial and office space. Buildings will be linked by a succession of green spaces, walking and cycling trails and a large central park, containing the clubhouse and children's playgrounds. With ample play and seating areas, Uptown Park is designed with outdoor relaxation for all the family in mind.

By effectively confining building to the periphery of the site, which is itself protected from its surroundings by its relative elevation, the design strategy has preserved an enclave of calm and natural beauty at the center of the site, a central park that is home to clusters of mature eucalyptus and pines.

With generous park frontage, buildings are carefully aligned to maximize views of the city, the sea, and the mountains and are finished to Solidere International's usual exacting standards. Refined design, exquisite detailing, comprehensive facilities and services, and lush landscaping set in by a mature treescape, Uptown Park is a contemporary reimagining of the urban oasis.

UPTOWN PARK
MASTER PLAN

UPTOWN PARK
MASTER PLAN

01 Ceremonial Gateway **02** Residential
03 Office and Retail **04** Park **05** Clubhouse

PROJECT OVERVIEW

COMPONENTS

Extensive planting will supplement existing stands of mature eucalyptus and pine in the central park with a selection of indigenous trees and shrubs, to create an arboretum at the northern edge of the development.

The park is the location of the community Clubhouse, an existing heritage structure, which will be repurposed and extended to host sports facilities exclusively for resident use.

Additionally, an office and retail strip, fronting Hazmieh's main street, will serve the dual purposes of catering to neighboring residents and thus integrating the development in its surroundings while simultaneously servicing the community and acting as a buffer zone for the residential quarter.

The strip will have its own separate entrance and drop-off area, and will be organized around a landscaped piazza for the use of shoppers and office-workers alike. Offices will be designed with a flexible, international standard grade-A office floor plate in mind.

DEVELOPMENT

The development is divided into 15 blocks, each with its own identity and character, and will be constructed in two phases. Phase One will encompass blocks 1–9, with the remaining blocks 10–15, scheduled for Phase Two.

The launch date of Phase One is dependent on an improvement to market conditions in the country.

Two mid-rise residential blocks, two office buildings and a retail building with an adjacent plaza, as well as the central park, have been earmarked as part of Phase One A, a strategic flagship development that will help position Uptown Park as a unique and highly desirable place and set new standards in Lebanon's real estate market.

THE SITE

Situated at the top of a green hill, the site enjoys unobstructed panoramic views of the capital, mountains, and sea

One of the four metropolitan centers of Greater Beirut, Hazmieh is nestled in the foothills of Mount Lebanon, just seven kilometers from Beirut-Rafic Hariri International Airport and a 15-minute drive from the city center. It is centered on the Al Sayyad Intersection, which links the east–west Beirut–Damascus international highway with the north–south highway that runs the length of Lebanon's coast and connects to Dora in the north and the international airport to the south.

Already a much sought-after location, Hazmieh is home to a dozen educational institutions, eight midrange and five-star hotels, three hospitals and a major mall, as well as numerous office complexes, embassies, clinics, and financial institutions. Fueled in part by upgrades to the road network and proliferating local services, the area is currently experiencing great demand for quality housing.

Situated on a low plateau, Uptown Park is shielded from the traffic and noise pollution of the nearby highways. Bordered to the south by Hazmieh's main road, it lies within easy access of Beirut, local amenities and neighboring areas, like Mar Takla and Baabda.

OFFICE AND RETAIL
Located along the main street, the office and retail area provides flexible floor space to meet different needs

OFFICE AND RETAIL PIAZZA
A piazza with outdoor seating serves as a buffer zone between the office and retail area and the residential quarter

RESIDENTIAL
The primary land use for the project is residential, with homes planned around a central park with mature trees

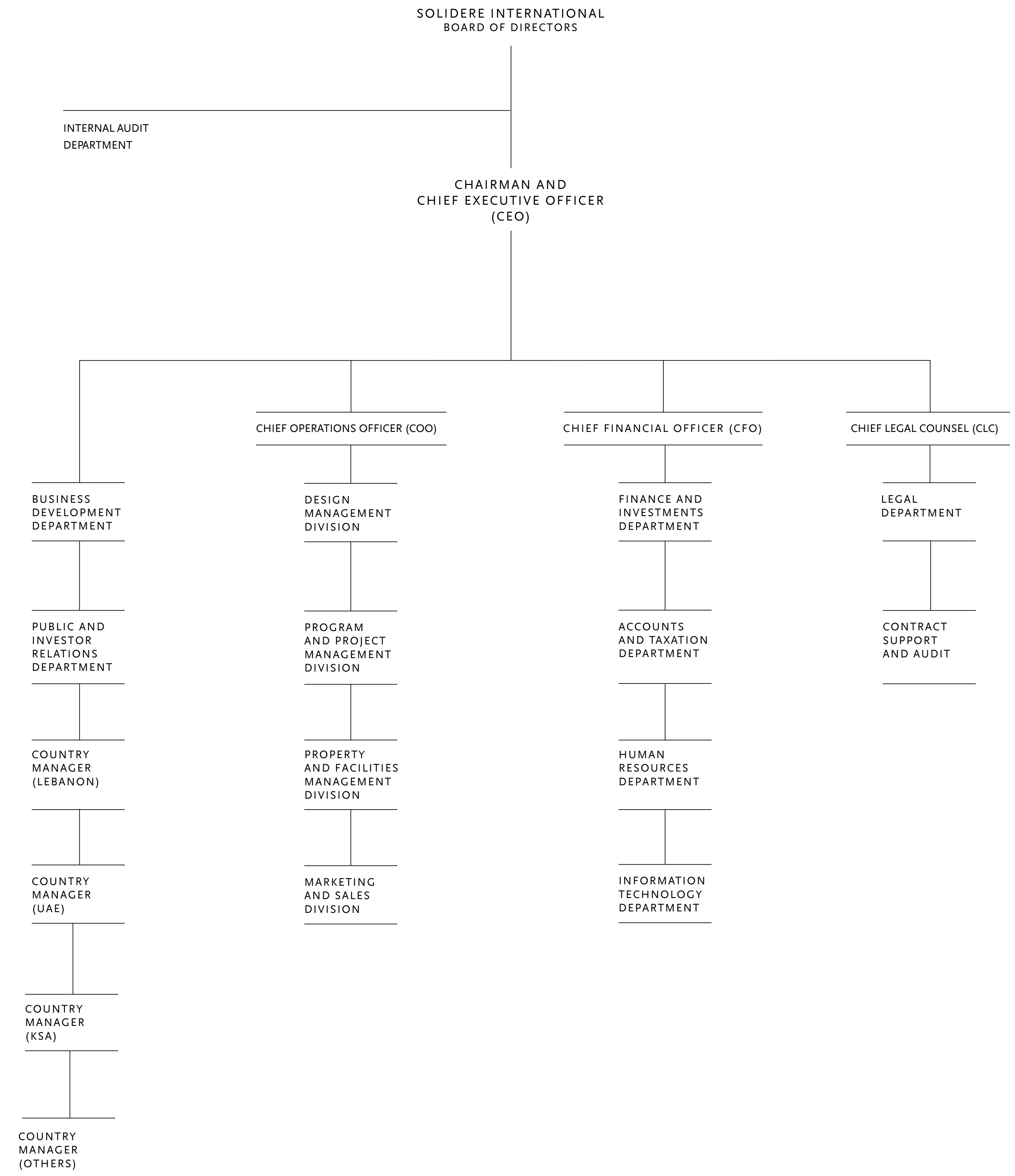
SOUTHEAST VIEW
The lowest part of the park
merges with building terraces

CLUBHOUSE
A modern structure hosting a number of sports facilities is annexed to the renovated
heritage structure that accommodates the clubhouse

CORPORATE REPORT

CORPORATE STRUCTURE

ORGANIZATIONAL CHART



BOARD OF DIRECTORS

SOLIDERE INTERNATIONAL IS DIRECTED AND CONTROLLED BY A NINE-MEMBER BOARD OF DIRECTORS THAT ESTABLISHES MANAGEMENT RELATED POLICIES AND MAKES DECISIONS ON MAJOR COMPANY ISSUES.

NASSER CHAMMAA
Chairman and Chief Executive Officer

MOUNIB HAMMOUD
Member of the Board

MOHAMMAD AL HAMMAD
Member of the Board

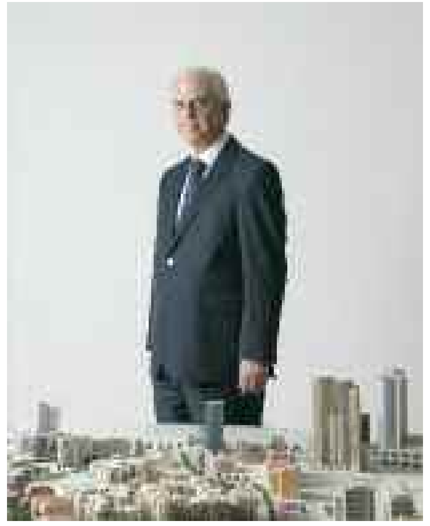
SALMAN AL FARES
Member of the Board

WALID ABANUMAY
Member of the Board

NASSER AL NOWAIS
Member of the Board

BASILE YARED
Member of the Board

ZIAD AL TUNISI
Member of the Board



ABDEL RAHMAN SOLH
Member of the Board

INDEPENDENT AUDITORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Solidere International Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

April 8, 2015
Dubai, United Arab Emirates

We have audited the accompanying consolidated financial statements of Solidere International limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Companies Law pursuant to DIFC Law No.2 of 2009, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Shareholders of the Company as a body, for our audit work, for this report, or for the opinion we have formed. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We also confirm that, in our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the Companies Law pursuant to DIFC Law no. 2 of 2009. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the Companies Law pursuant to DIFC Law no. 2 of 2009 have occurred during the year which would have had material effect on the business of the Company or on its financial position.

AUDITORS

Ernst & Young
ERNST & YOUNG

Deloitte & Touche
DELOITTE & TOUCHE

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** US$	2013 US$
REVENUE	4	10,503,464	11,422,462
Cost of revenue	4	(6,418,991)	(6,499,610)
Gross Profit		**4,084,473**	**4,922,852**
Administrative expenses	7	(12,818,955)	(16,687,226)
Gain on sale of development properties	13	9,721,860	-
Net gain from funds designated at fair value through profit or loss	15	54,174,916	548,650
Gain on disposal of subsidiary	13	1,992,855	-
Collective impairment of receivables	17	(2,000,000)	-
Other expense – net	8	(5,500,681)	(1,266,905)
Finance income	9	4,398,761	8,237,708
Finance costs	9	(1,607,646)	(250,263)
Share of results of associates	14	14,702,376	15,803,458
Profit for the year before tax		**67,147,959**	**11,308,274**
Income tax benefit	10	2,216	4,597
Profit for the year		**67,150,175**	**11,312,871**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation		150,961	239,022
Total comprehensive income for the year		**67,301,136**	**11,551,893**
Attributable to:			
Equity holders of the parent		64,446,368	8,634,150
Non-controlling interests		2,854,768	2,917,743
		67,301,136	**11,551,893**

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

		Notes	**2014** US$	2013 US$
ASSETS	NON-CURRENT ASSETS			
	Property, plant and equipment	11	6,591,316	8,983,849
	Intangible asset	12	-	-
	Development properties	13	5,679,183	103,071,118
	Investments in associates	14	372,402,925	360,273,617
	Investments in funds designated at fair value through profit or loss (FVTPL)	15	476,590,599	249,267,632
	Investments in securities designated at fair value through profit or loss (FVTPL)	16	-	-
	Loans to an associate – non current portion	14	33,569,512	22,076,894
			894,833,535	**743,673,110**
	CURRENT ASSETS			
	Accounts receivable and other debit balances	17	25,666,930	27,681,241
	Inventory		91,957	102,760
	Loans to an associate – current portion	14	17,100,000	-
	Bank balances and cash	18	50,803,046	126,555,411
			93,661,933	154,339,412
	Total Assets		**988,495,468**	**898,012,522**
EQUITY AND LIABILITIES	EQUITY			
	Share capital	19	550,000	550,000
	Share premium	19	688,745,575	688,745,575
	Employees' stock option plan reserve	22	5,844,300	5,844,300
	Foreign currency translation reserve	19	(815,241)	(966,202)
	Retained earnings		185,488,913	121,193,506
			879,813,547	815,367,179
	Non-controlling interests		60,857,169	58,752,401
	Total equity		**940,670,716**	**874,119,580**
	NON-CURRENT LIABILITIES			
	Bank loan – non-current portion	20	22,900,000	15,000,000
	Employees' end-of-service benefits	21	1,742,727	1,269,769
			24,642,727	16,269,769
	CURRENT LIABILITIES			
	Bank loan – current portion	20	17,100,000	-
	Accounts payable and accruals	23	6,082,025	7,623,173
			23,182,025	7,623,173
	Total liabilities		**47,824,752**	**23,892,942**
	Total Equity and Liabilities		**988,495,468**	**898,012,522**

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on 8 April 2015.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

		Notes	2014 US$	2013 US$
OPERATING ACTIVITIES	Profit for the year before tax		67,147,959	11,308,274
	ADJUSTMENTS FOR:			
	Depreciation and amortization	11&12	723,351	792,637
	Realised gain from transactions with an associate	14	(2,287,702)	(2,779,606)
	Share of results of associates	14	(14,702,376)	(15,803,458)
	Changes in fair value of investments in securities designated at FVTPL	8	-	(246,832)
	Change in fair value of investments in funds designated at FVTPL	15	(54,174,916)	(548,650)
	Gain on sale of development properties	13	9,721,860	-
	Collective impairment of receivables	17	2,000,000	-
	Write back of other provisions	8	(85,510)	(73,071)
	Provision for impairment in assets	8	3,652,804	-
	Provision for employees' end-of-service benefits	21	905,453	416,816
	Gain on sale of equipment		1,043	-
	Employees' stock option plan expense	22	-	133,432
	Finance income	9	(4,398,761)	(8,237,708)
	Finance costs	9	1,607,646	250,263
			10,110,851	(14,787,903)
	WORKING CAPITAL CHANGES:			
	Accounts receivable and other debit balances		711,808	9,345,057
	Inventory		(24,599)	(52,840)
	Accounts payable and accruals		(1,241,876)	(926,775)
	Settlement of employees' end-of-service benefits	21	(432,495)	(189,456)
	Net cash flows (used in) from operating activities		9,123,689	(6,611,917)
INVESTING ACTIVITIES	Purchase of property, plant and equipment	11	(1,949,913)	(979,586)
	Investments in funds designated at FVTPL		(173,148,051)	(248,718,982)
	Loans to an associate		(28,592,618)	(11,407,382)
	Proceeds from disposal of plant and equipment		650	-
	Proceeds from investments designated at FVTPL		-	6,128,832
	Changes in development properties		87,670,075	(2,900,792)
	Disposal of investment in an associate	14	-	44,713,859
	Dividends received from an associate		4,856,886	678,081
	Bank term deposit		-	121,459,454
	Interest received		3,701,264	9,663,969
	Net cash flows used in investing activities		(107,461,707)	(81,362,547)
FINANCING ACTIVITIES	Proceeds from bank loan		25,000,000	15,248,149
	Capital repurchase from a minority shareholder		(750,000)	-
	Interest paid		(1,821,408)	(250,263)
	Net cash flows from financing activities		22,428,592	14,997,886
	Decrease in Cash and Cash Equivalents		(75,909,426)	(72,976,578)
	Net foreign exchange differences		157,061	241,219
	Cash and cash equivalents at 1 January		126,555,411	199,290,770
	Cash and Cash Equivalents at 31 December	18	**50,803,046**	**126,555,411**

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	NOTE	SHARE CAPITAL US$	SHARE PREMIUM US$	EMPLOYEES' STOCK OPTION PLAN RESERVE US$	FOREIGN CURRENCY TRANSLATION RESERVE US$	RETAINED EARNINGS US$	TOTAL US$	NON-CONTROLLING INTERESTS US$	TOTAL EQUITY US$
2014									
Balance at 1 January 2014		550,000	688,745,575	5,844,300	(966,202)	121,193,506	815,367,179	58,752,401	874,119,580
Total comprehensive income for the year		-	-	-	150,961	64,295,407	64,446,368	2,854,768	67,301,136
Employees' stock option plan reserve		-	-	-	-	-	-	(750,000)	(750,000)
Balance at 31 December 2014		**550,000**	**688,745,575**	**5,844,300**	**(815,241)**	**185,488,913**	**879,813,547**	**60,857,169**	**940,670,716**
2013									
Balance at 1 January 2013		550,000	688,745,575	5,710,868	(1,204,543)	112,797,697	806,599,597	55,834,658	862,434,255
Total comprehensive income for the year		-	-	-	238,341	8,395,809	8,634,150	2,917,743	11,551,893
Employees' stock option plan reserve	22	-	-	133,432	-	-	133,432	-	133,432
Balance at 31 December 2013		**550,000**	**688,745,575**	**5,844,300**	**(966,202)**	**121,193,506**	**815,367,179**	**58,752,401**	**874,119,580**

The attached notes 1 to 27 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2014

01

CORPORATE INFORMATION

Solidere International Limited (the "Company") is a company registered and incorporated under the Registrar of Companies of the Dubai International Financial Centre (DIFC) under registration number 412 dated 7 June 2007. The objective of the Company is to identify, promote, purchase, invest in, develop, market and manage, as well as to provide consulting services with respect to real estate projects (including but not limited to hotel leisure projects) outside the Beirut Central District area of Lebanon; and to engage in any lawful act or activity for which companies may be organized under the law. The registered office of the Company is Level 41, Emirates Towers, Office Tower, Sheikh Zayed Road, PO Box 31103, Dubai, United Arab Emirates.

The Company is 37.19% owned by Solidere International Holdings SAL (the "Major shareholder"), a wholly owned subsidiary of the Lebanese Company for the Development and Reconstruction of Beirut Central District SAL (SOLIDERE) (the "Major shareholder") whose registered office is at Bldg 149, Saad Zaghloul St., Beirut, Lebanon.

During the Company's establishment phase, it was granted by the Major shareholder the right to use the "Solidere" brand outside Lebanon and to execute real estate projects outside the Beirut Central District area of Lebanon.

The Company and its subsidiaries (collectively the "Group") operate in United Arab Emirates, Egypt, Saudi Arabia and Jordan under one operating segment.

2.1

BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the applicable provisions of the DIFC laws. The consolidated financial statements have been prepared on a historical cost basis, except for investments held at fair value through profit or loss that have been measured at fair value.

The consolidated financial statements are presented in US Dollars (US$) as this is the functional currency of the Company.

2.2

BASIS OF COMSOLIDATION

The consolidated financial statements of Solidere International Limited incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

When the Company has less than a majority of the voting rights or an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Non-controlling interest represent the portion of profit or loss and net assets of subsidiaries not owned directly or indirectly by the Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

The consolidated financial statements include the financial statements of Solidere International Limited and its subsidiaries (collectively the "Group") listed below:

		ACTIVITIES	COUNTRY OF INCORPORATION	OWNERSHIP 2014	OWNERSHIP 2013
SI Al Zorah Equity Investment, Inc. (share capital US$ 256.7 million (2013: US$ 260 million))	(owns 44% of Al Zorah Development Private Co. ltd) (note 14)	Real estate Holding	Cayman Islands	77.27%	77.27%
Solidere Egypt Real Estate Investment and Development SAE (share capital of LE 5 million)		Real estate Development	Egypt	100%	100%
Solidere Qortoba LLC (share capital of SAR 0.5 million)		Real estate development	Saudi Arabia	-	100%
Solidere Industry KSA LLC (share capital of SAR 2 million)		Real estate development	Saudi Arabia	100%	100%
International Advisory Services Ltd (share capital of US$1)		Real estate management	Cayman Islands	100%	100%

Subsidiaries included in the financial statements (Continued):

	ACTIVITIES	COUNTRY OF INCORPORATION	OWNERSHIP 2014	OWNERSHIP 2013
Solidere Saudi Arabia (a Saudi joint stock Company) (share capital of SAR 30 million)	Real estate development	Saudi Arabia	100%	100%
SI Garden City Limited (share capital of US$ 1)	Real estate development	Cayman Islands	100%	100%
City Makers Services SARL (share capital of LL 75 million)	Real estate development	Lebanon	100%	100%
SI Real Estate Development Co. (share capital US$ 1)	Real estate Holding	Cayman Islands	100%	100%

2.3

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVESTMENT IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate 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 associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

B) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

C) FOREIGN CURRENCY TRANSLATION

The Group's consolidated financial statements are presented in US Dollars, which is the Parent Company's functional currency. 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 Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

i. Transactions and balances
Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the statement of profit or loss and other comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item.

ii. Group companies
On consolidation the assets and liabilities of foreign operations are translated into US Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss and other comprehensive income are translated at average exchange rates for the year. The exchange differences arising on translation

for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

D) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or 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. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of land

Revenue on sale of plots of land is recognized on the basis of the full accrual method as and when all of the following conditions are met:

- A sale of consummated and contracts are signed;
- The buyer's investment, to the date of the financial statements, is adequate to demonstrate a commitment to pay for the property;
- The Group's receivable is not subject to future subordination;
- The Group has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property; and
- Infrastructure work to be completed is both easily measurable and accrued or is not significant in relation to the overall value of the contract.

When revenue is not recognized if one or more of the above conditions are not met, cash advances received from property buyers are recorded under liabilities as deferred revenues.

Rendering of services income

Revenue from fixed-price contracts for delivering support and management services is recognised under the percentage-of-completion method. Revenue is generally recognised based on the services performed to date as a percentage of the total services to be performed.

Interest and commission income

Revenue is recognised as interest accrues (using the effective interest method "EIR"). Interest income is included in finance income in the consolidated statement of profit or loss and other comprehensive income. Commission income is recognized when services are performed.

Dividends income

Dividends income are recognised when the Group's right to receive the payment is established.

E) TAXES

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income summarized as follows:

- Operations in Egypt are subject to tax at an effective rate of 20% on yearly profits.
- Operations in Saudi Arabia are subject to Zakat at a rate of 2.5% on yearly profits.

Current income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in the consolidated statement of profit or loss and other comprehensive income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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 taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 credits 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 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 tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset 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 the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively 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 other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

F) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value; if any.

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

Computer and office equipment	4-5 years
Motor vehicles	5 years
Furniture and fixtures	3 years
Factory plant and equipment	20 years
Buildings	50 years

Advance on purchase equipment has no depreciation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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 statement of profit or loss and other comprehensive income as the expense is incurred.

G) DEVELOPMENT PROPERTIES

Properties acquired, constructed or in the course of construction for sale are classified as development properties. Unsold properties are stated at the lower of cost or net realisable value. The cost of development properties includes the cost of land and other related expenditure which are capitalised as and when activities that are necessary to get the properties ready for sale are in progress. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The property is considered to be completed when all related activities, including the infrastructure and facilities for the entire project, have been completed. At that stage, costs are eliminated from development properties and transferred to properties held for sale. The management reviews the carrying values of the development properties on an annual basis.

H) LEASES

Operating lease payments are recognised as an expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

I) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

J) 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 as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss and other comprehensive income in the year in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing 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 statement of profit or loss and other comprehensive income in the expense category consistent with the function of the intangible assets.

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.

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 statement of profit or loss and other comprehensive income when the asset is derecognised.

K) FINANCIAL INSTRUMENTS - INITIAL RECOGNITION AND SUBSEQUENT MEASUREMENT

i. Financial assets

Initial recognition and measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include bank balances and cash, short-term deposits, accounts receivable and other debit balances, investment in funds and securities designated at fair value through profit or loss.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit and loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. The amortisation is included in finance income in the consolidated statement of profit or loss and other comprehensive income. The losses arising from

impairment are recognised in the consolidated statement of profit or loss and other comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. The amortisation is included in finance income in the consolidated statement of profit or loss and other comprehensive income. The losses arising from impairment are recognised in the consolidated statement of profit or loss and other comprehensive income in finance costs. The Group did not have any held-to-maturity investments during the years ended 31 December 2014 and 2013.

Available-for-sale financial investments
Available-for-sale financial investments includes equity and debt securities that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve in equity until the investment is derecognised or determined to be impaired, at which time cumulative gain or loss recorded in equity is recognised in profit or loss. The Group did not have any available-for-sale investments during the years ended 31 December 2014 and 2013.

Derecognition
A financial asset (or, where 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.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) The Group has transferred substantially all the risks and rewards of the asset, or
  (b) The Group 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 rights 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 of 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. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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.

ii. Impairment of financial assets
Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the consolidated statement of profit or loss and other comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Available-for-sale financial investments
For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of profit or loss and other comprehensive income - is removed from other comprehensive income and recognised in the consolidated statement of profit or loss and other comprehensive income. Impairment losses on equity investments are not reversed through the consolidated statement of profit or loss and other comprehensive income; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the consolidated statement of profit or loss and other comprehensive income.

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

iii. Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include accounts payable and bank loan.

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if criteria of IAS 39 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs. The amortisation is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss and other comprehensive income.

iv. 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, and only if:

- There is a currently enforceable legal right to offset the recognised amounts, and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

v) Fair value of financial instruments
The Group measures financial instruments at fair value at each consolidated statement of financial position date. Also, fair values of financial instruments measured at amortized cost are disclosed in the notes.

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
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/by the Group. 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.

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

L) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit or loss and other comprehensive income in the expense categories consistent with the function of the impaired asset, except for a property previously revalued and the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date 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 CGUs 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 statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

M) CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts (if any).

N) SHARE-BASED PAYMENT TRANSACTIONS

The Group operates a share-based compensation plan under which the entity receives from employees services as consideration for equity instruments (options) of the Parent Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The provision for share-based payment is calculated from the grant date and provided for during the year of notification to employees.

O) ACCOUNTS PAYABLE AND ACCRUALS

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

P) PROVISIONS

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Q) EMPLOYEES' END-OF-SERVICE BENEFITS

The Company provides end of service benefits to its expatriate employees determined in accordance with the DIFC labour law based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

2.4

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2013 except for the adoption of amended standards and interpretations effective as of 1 January 2014, noted below:

IAS 32, Financial instruments; Presentation
This amendment does not change the current offsetting model in IAS 32, which requires an entity to offset a financial asset and financial liability in the consolidated statement of financial position only when the entity currently has a legally enforceable right of set-off and intends either to settle the asset and liability on a net basis or to realise the asset and settle the liability simultaneously. The amendment clarifies that the right of set-off must be available today – that is, it is not contingent on a future event. It also must be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. This amendment also clarifies the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

IAS 39, Novation of Derivative and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.

Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10, 'Consolidated Financial Statements'. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

IAS 36, Impairment of assets – Amendment
The IASB has amended IAS 36 to (i) remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no

impairment; (ii) to require disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognized or reversed; and (iii) to require detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognized or reversed. The amendments will impact all preparers who recognize or reverse an impairment loss on non-financial assets.

The adoption of the above amendments did not have a significant impact on the Group's financial position or performance.

03

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

JUDGMENTS

In the process of applying the Group's accounting policies, management makes judgments, apart from those involving estimation, which might impact the amounts recognized in the consolidated financial statements.

Classification of investment securities
Management decides on acquisition of an investment security whether it should be classified as held to maturity, held for trading, carried at fair value through profit or loss, available for sale and loans and receivables.

For those investments deemed to be held to maturity, management ensures that the requirements of IAS 39 are met and, in particular that the Group has the intention and ability to hold these to maturity.

Classification of investments as fair value through profit or loss depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, these are classified as fair value through profit or loss. All other investments are classified as available for sale.

Classification of properties
Management decides at the time of acquisition of a property whether it should be classified as property and equipment, development property or investment property. The Group classifies acquired properties in investment properties when the purpose of the property is to earn rentals or capital appreciation or both, or for an undetermined use. The Group classifies properties as development properties when the intention is to develop such properties

Classification of financial assets
The Group determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Revenue recognition
Management has considered the detailed criteria for the recognition of revenue from the sale of goods set out in International Accounting Standard (IAS) 18: *Revenue* and in particular whether the Group had transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, management is satisfied that the significant risks and rewards have been transferred and the recognition of the revenue is appropriate.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the consolidated statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of accounts receivable
An estimate of the collectible amount of trade accounts 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 is applied according to the length of time past due.

Impairment of investment in joint ventures and associates
The Group assesses at each reporting date whether there is indication that an investment may be impaired. If any indication exists the Group estimates the investment's recoverable amount. When the cost of the investment exceeds the recoverable amount, the investment is considered impaired and a provision for impairment is setup representing the difference between the investment's recoverable amount and its carrying value. The provision is charged to the consolidated statement of profit or loss and other comprehensive income.

Cost to complete development properties
The Group estimates the cost to complete development properties in order to determine the commitments at the year-end. These estimates include the cost of providing infrastructure activities, construction and related activities, potential claims by subcontractors and the cost of meeting other contractual obligations to customers.

Useful lives of property, plant and equipment
The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted when the management believes that the useful lives differ from previous estimates.

Fair value measurement
All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management of the Group analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

04

REVENUE / (COST OF REVENUE)

2014	**REVENUE** US$	**COST OF REVENUE** US$	**GROSS PROFIT /(LOSS)** US$
Rendering of services (note 6)	6,649,591	(6,347,437)	302,154
Sale of inventory	62,430	(71,554)	(9,124)
Commission income, net (note 5)	2,287,702	-	2,287,702
Management fees (note 24)	1,503,741	-	1,503,741
	10,503,464	**(6,418,991)**	**4,084,473**

2013	**REVENUE** US$	**COST OF REVENUE** US$	**GROSS PROFIT /(LOSS)** US$
Rendering of services (note 6)	6,535,091	(6,279,221)	255,870
Sale of inventory	140,835	(220,389)	(79,554)
Commission income (note 5)	2,779,606	-	2,779,606
Management fees (note 26)	1,966,930	-	1,966,930
	11,422,462	**(6,499,610)**	**4,922,852**

05

COMMISSION INCOME - NET

	2014 US$	2013 US$
Net realized commission income from an associate (note 4 & 14)	**2,287,702**	**2,779,606**

Commission income from an associate represents the commissions received from Al Zorah Development (Private) Co. Ltd, in connection with the sales activities undertaken by the Company to sell certain baskets of plots of land as well as individual land sales calculated as a percentage of the selling price.

06

RENDERING OF SERVICES - NET

For the year ended 31 December 2014	BILLINGS US$	CHARGES BY A RELATED PARTY US$	COSTS INCURRED US$	TOTAL COSTS US$	GROSS PROFIT US$
United Arab Emirates	1,727,128	(382,320)	(1,344,808)	(1,727,128)	-
Saudi Arabia	4,841,395	(277,288)	(4,272,527)	(4,549,815)	291,580
Lebanon	81,068	(70,494)	-	(70,494)	10,574
	6,649,591	**(730,102)**	**(5,617,335)**	**(6,347,437)**	**302,154**
For the year ended 31 December 2013					
United Arab Emirates	3,248,255	(629,347)	(2,471,857)	(3,101,204)	147,051
Saudi Arabia	2,982,068	(453,195)	(2,528,873)	(2,982,068)	-
Lebanon	304,768	(195,949)	-	(195,949)	108,819
	6,535,091	**(1,278,491)**	**(5,000,730)**	**(6,279,221)**	**255,870**

The Group signed a Professional Services Agreement (PSA) with Al Zorah Development (Private) Co. Ltd whereby Solidere International Limited provides urban and infrastructure planning as well as sales and marketing support to Al Zorah Development (Private) Co. Ltd. Total billings for the year ended 31 December 2014 amounted to US$ 1,727,128 (2013: US$ 3,248,255) (note 24).

The costs incurred in connection with the services rendered are detailed as follows:

	2014 US$	2013 US$
Salaries, allowances and related charges	4,325,108	3,997,348
Professional fees from a related party (note 24)	730,102	1,278,491
Consultancy and professional fees	488,739	899,025
Travel and related charges	294,496	104,357
Exhibitions and brochures	224,534	-
Other administrative expensens	284,458	-
	6,347,437	**6,279,221**

Charges by a related party amounting to US$ 730,102 (2013: US$ 1,278,491) represent progress billings made by The Lebanese Company for the Development and Reconstruction of Beirut Central District SAL (Solidere SAL), to the Group in connection with the PSA signed with Solidere SAL whereby the latter provides support services to the Group.

07

ADMINISTRATIVE EXPENSES

	2014 US$	2013 US$
Salaries, allowances and related charges	8,871,220	7,703,310
Rent – operating lease	757,149	888,705
Depreciation and amortization expense (notes 11 & 12)	723,351	792,637
Consultancy, legal and professional fees	653,409	3,009,774
Travel and related charges	608,050	1,272,423
Office and computer supplies	240,882	331,660
Telephone and communication	232,806	315,733
Professional fees charged by a related party (note 24)	196,513	1,117,459
Legal and Judicial fees	147,092	705,153
Advertising and film production	58,667	31,175
Employees' share based payment (note 22)	-	133,432
Other expenses	329,816	385,765
	12,818,955	**16,687,226**

08

OTHER EXPENSE – NET

	2014 US$	2013 US$
Other provisions written back	85,510	73,071
Miscellaneous (expense) income, net	(268,911)	254,597
Changes in fair value of investments in securities designated at FVTPL (note 16)	-	246,832
Provision for impairment in assets (*)	(3,652,804)	-
Net foreign exchange losses	(1,664,476)	(1,841,405)
	(5,500,681)	**(1,266,905)**

(*) Provision for impairment in assets represents provision booked by the Group on its manufacturing operations in the Kingdom of Saudi Arabia and is mainly included under property, plant and equipment.

09

FINANCE INCOME / (COSTS)

	2014 US$	2013 US$
FINANCE INCOME		
Interest income on short-term bank deposits	3,358,160	7,335,324
Interest income on bank deposits with original maturity exceeding 3 months	-	407,969
Interest income on investments in securities designated at FVTPL (note16)	-	86,757
Interest income on loans to an associate (notes 14(b) and 24)	1,040,601	407,658
Finance income	**4,398,761**	**8,237,708**
FINANCE COSTS		
Interest expense on loan and other interest expense	(1,607,646)	(250,263)
Finance costs	**(1,607,646)**	**(250,263)**

10

INCOME TAX BENEFIT

Income tax benefit related to the subsidiary in Egypt for the years ended 31 December 2014 and 2013 is detailed as follows:

	2014 US$	2013 US$
Current income tax:		
Current income tax benefit	**2,216**	**4,597**

11

PROPERTY, PLANT AND EQUIPMENT

	COMPUTER AND OFFICE EQUIPMENT US$	MOTOR VEHICLES US$	FURNITURE AND FIXTURES US$	ADVANCE ON PURCHASE OF FIXED ASSETS US$	FACTORY PLANT AND EQUIPMENT US$	BUILDINGS US$	TOTAL US$
2014							
COST							
At 1 January 2014	710,516	494,582	5,926,943	58,371	3,944,480	3,394,282	14,529,174
Additions	11,885	-	216,270	1,674,754	-	47,004	1,949,913
Disposals	(2,151)	-	-	-	-	-	(2,151)
Exchange differences	18	3,700	42	-	-	-	3,760
At 31 December 2014	**720,268**	**498,282**	**6,143,255**	**1,733,125**	**3,944,480**	**3,441,286**	**16,480,696**
DEPRECIATION							
At 1 January 2014	500,116	355,361	4,436,602	-	253,246	-	5,545,325
Depreciation charge for the year	44,269	63,616	350,406	-	265,060	-	723,351
Disposals	(458)	-	-	-	-	-	(458)
Exchange differences	18	3,700	42	-	-	-	3,760
At 31 December 2014	**543,945**	**422,677**	**4,787,050**	**-**	**518,306**	**-**	**6,271,978**
NET CARRYING AMOUNT							
At 31 December 2014	**176,323**	**75,605**	**1,356,205**	**1,733,125**	**3,426,174**	**3,441,286**	**10,208,718**
less: provision for impairment in assets							3,617,402
							6,591,316
2013							
COST							
At 1 January 2013	572,242	480,976	4,526,475	1,075,659	3,549,244	3,356,095	13,560,691
Additions	138,326	24,533	324,933	58,371	395,236	38,187	979,586
Transfers	-	-	1,075,659	(1,075,659)	-	-	-
Exchange differences	(52)	(10,927)	(124)	-	-	-	(11,103)
At 31 December 2013	**710,516**	**494,582**	**5,926,943**	**58,371**	**3,944,480**	**3,394,282**	**14,529,174**
DEPRECIATION							
At 1 January 2013	435,402	256,727	4,069,690	-	-	-	4,761,819
Depreciation charge for the year	64,754	107,375	367,037	-	253,246	-	792,412
Exchange differences	(40)	(8,741)	(125)	-	-	-	(8,906)
At 31 December 2013	**500,116**	**355,361**	**4,436,602**	**-**	**253,246**	**-**	**5,545,325**
NET CARRYING AMOUNT							
At 31 December 2013	**210,400**	**139,221**	**1,490,341**	**58,371**	**3,691,234**	**3,394,282**	**8,983,849**

During 2012, the Group purchased an office apartment on the 20th floor of Index Tower in Dubai for a total consideration of US$ 3,356,095.

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INTANGIBLE ASSET

Intangible asset represents computer license fees.

	2014 US$	2013 US$
COST		
At 1 January	139,316	139,316
Additions	-	-
At 31 December	**139,316**	**139,316**
ACCUMULATED AMORTIZATION		
At 1 January	139,316	139,091
Charge for the year	-	225
At 31 December	**139,316**	**139,316**
NET CARRYING AMOUNT		
At 31 December	**-**	**-**

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DEVELOPMENT PROPERTIES

	EGYPT US$	SAUDI ARABIA US$	TOTAl US$
2014			
Land	-	5,679,183	5,679,183
	-	**5,679,183**	**5,679,183**
2013			
Land	23,434,970	72,418,021	95,852,991
Architect and other development fees	552,149	6,626,296	7,178,445
Taxes and government charges on the land	39,682	-	39,682
	24,026,801	**79,044,317**	**103,071,118**

(a) Development properties in Eygypt

Six October Development and Investment Company, SAE (SODIC) purchased the Sheikh Zayed Project land by virtue of the preliminary purchase and sale agreement dated 19 November 1995 entered into between SODIC and the new Urban Communities Authority. On 26 April 2007, SODIC and Solidere Management Services SAL (SMS), a related party, signed a Real Estate Development Agreement for the Sheikh Zayed Project. Pursuant to the Development Agreement, SODIC granted Solidere Management Services SAL (SMS) Option Rights to buy directly or through any party designated by SMS a land surface area of up to a maximum of 250,000 square meters in the Sheikh Zayed Project.

On 19 June 2007, SMS transferred its rights and obligations under the Development Agreement to Solidere International Limited (SI) as per the transfer agreement entered into between SMS, SI and SODIC, whereby SI became an assignee and successor to SMS in all its rights and obligations under the Development Agreement.

On 15 June 2008, in accordance with the Board of Directors' resolution dated 6 March 2008, SI transferred its rights and obligations related to the Option Rights under the Development Agreement to a subsidiary, Solidere Egypt Real Estate Investment and Development SAE (SE).

SE exercised all the Option Rights in respect of the Development Agreement on 15 June 2008 for a total consideration of LE 237,500,000 (US$ 43,181,818) whereby land was recorded at present value of US$ 32,075,343 after deducting deferred interest of US$ 11,106,475.

The payment terms as of 31 December 2008 were as follows:

	% OF SALE PRICE	DUE DATE	AMOUNT LE
First instalment (paid)	10%	15 June 2008	23,750,000
Second instalment	15%	15 June 2010	35,625,000
Third instalment	15%	15 June 2011	35,625,000
Fourth instalment	20%	15 June 2012	47,500,000
Fifth instalment	20%	15 June 2013	47,500,000
Sixth instalment	20%	15 June 2014	47,500,000
			213,750,000
Outstanding installments			**237,500,000**

On 18 September 2012, SI and SE became parties to an arbitration against SODIC filed with the Cairo Regional Centre for International Commercial Arbitration pursuant to the breach of contract between SE and SODIC.

On 25 February 2014, SI, SE and SODIC signed a termination and settlement agreement. The agreement stipulate that SODIC will settle the amount of US$ 34,086,000 payable in Egyptian pounds, to SE. The first instalment amounting to US$ 5,112,900 was settled on 25 February 2014 and the remaining amount of US$ 28,973,100 was settled on 12 August 2014. The Group realised gain on sale of development properties, net of exchange difference, amounting to US$ 9,721,860 recorded under "Gain on sale of development properties" in the consolidated statement of profit or loss and other comprehensive income.

(b) Development properties in Saudi Arabia
On 28 September 2011, Solidere Saudi Arabia (SSA), a subsidiary, purchased plot number 2 located in Qortoba, Riyadh for a total consideration of SAR 271,567,580 (equivalent to US$ 72,418,021).

On 30 December 2011, the Board of Directors of SSA decided to sell the land to Solidere Qortoba LLC, a subsidiary of SSA, at carrying amount.

Following Solidere Qortoba LLC shareholders meeting held on 10 November 2014, it was resolved to transfer the ownership of the Company to a Saudi Fund Manager against the acquisition of units by the Group in BLOM Solidere Compound Real Estate Fund, newly established fund. The Group's subscription in the fund was paid through the transfer in kind of Solidere Qortoba LLC, a subsidiary, for a total value of US$ 133,810,526 and through cash payments amounting to US$ 20,288,141. The transfer in kind of the subsidiary resulted in a gain amounting to US$ 13,312,325 of which US$ 11,319,470 was deferred based on the Group ownership's percentage in the fund.

During 2014, the Group purchased lands in Al Muzahimiya district, Riyadh, amounting to SAR 21,296,938 (equivalent to US$ 5,679,183) for the purpose of developing retail stores.

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INVESTMENTS IN ASSOCIATES

	2014 US$	2013 US$
Al Zorah Development Private Co. Ltd (PSC)	296,054,473	283,011,516
Development and Investment Company	67,178,209	67,178,209
Golden Tower LLC	9,170,243	10,083,892
	372,402,925	**360,273,617**

	2014 US$	2013 US$
As at 1 January	360,273,617	387,082,493
Realized gain from transaction with an associate (note 5)	2,287,702	2,779,606
Disposal of investment in an associate (d)	-	
(44,713,859)		
Dividend income from an associates	(4,856,886)	
(678,081)		
Share of results for the year	14,702,376	15,803,458
Exchange difference	(3,884)	-
As at 31 December	**372,402,925**	**360,273,617**

The following table illustrates summarized financial information of the Group's investments in associates:

NAME	COUNTRY OF INCORPORATION	TOTAL ASSETS US$	TOTAL LIABILITIES US$	NET ASSETS US$	PROFIT/ (LOSS) US$	INTEREST HELD %	GROUP'S SHARE OF NET ASSETS US$	GROUP'S SHARE OF PROFITS (LOSS) US$
2014								
Al Zorah Development Private Co. Ltd (PSC) (a) through SI Al Zorah Equity Investment Inc.	United Arab Emirates	824,321,035	215,924,303	608,396,732	28,590,606	49%	298,114,399	14,009,397
Golden Tower LLC (c)	Saudi Arabia	75,591,848	78,484,932	(2,893,084)	(1,661,352)	50%	(1,446,542)	(830,676)
Development and Investment Company Limited (d)	Cayman Islands	83,300,052	166,509	83,133,543	3,482,640	43.75%	36,370,925	1,523,655
		983,212,935	**294,575,744**	**688,637,191**	**30,411,894**		**333,038,782**	**14,702,376**
2013								
Al Zorah Development Private Co. Ltd (PSC) (a) through SI Al Zorah Equity Investment Inc.	United Arab Emirates	828,364,329	241,750,306	586,614,023	29,229,952	49%	287,440,871	14,322,677
Golden Tower LLC (c)	Saudi Arabia	44,771,114	46,002,846	(1,231,732)	(875,279)	50%	(615,866)	(437,640)
Development and Investment Company Limited (d)	Cayman Islands	83,300,052	166,509	83,133,543	4,384,961	43.75%	36,370,925	1,918,421
		956,435,495	**287,919,661**	**668,515,834**	**32,739,634**		**323,195,930**	**15,803,458**

(a) Al Zorah Development (Private) Company Limited (PSC)

According to the shareholders' constitution agreement of Al Zorah Development (Private) Company Limited (PSC) dated 30 October 2007, it was agreed between the Government of Ajman, SI Al Zorah Equity Investment Inc. and Solidere International Limited to establish Al Zorah Development (Private) Company Limited with a capital of AED 4,000,000,000 divided into 40,000,000 shares with a par value of AED 100 each owned as follows:

	%
The Government of Ajman	50
SI Al Zorah Equity Investments, Inc.	44
Solidere International Limited	6

According to the Board of Directors meeting dated 1 October 2007 and based on a previously executed agreement, it was resolved to assign 1% of Solidere International Limited investment in Al Zorah Development (Private) Company Limited (PSC) to a private investor as an arrangement fee.

According to the agreement, the ownership of the Ajman Government is to be executed in kind through a piece of land valued at AED 2,120,000,000. In a separate agreement, between the Government of Ajman and Solidere International Limited it was agreed that AED 120,000,000 out of the above amount representing 3% of the capital would be considered as being contributed by Solidere International Limited.

According to another agreement between Solidere International Limited and SI Al Zorah Equity Investment, Inc, SI Al Zorah Equity Investment, Inc settled in cash the remaining 3% ownership of Solidere International Limited. SI Al Zorah Equity Investments, settled an amount of AED 1,880,000,000 representing the 44% ownership of SI Al Zorah Equity Investments, Inc and the 3% ownership of Solidere International Limited.

Directly and indirectly, through consolidation of a subsidiary, the Group owns 49% of Al Zorah Development (Private) Company Limited (PSC).

During the meetings of the Board of Directors of Al Zorah Development (Private) Company Limited (PSC) held on 22 April 2010 and 2 May 2010, the Board decided to change the master plan of the project to meet the new market requirements and develop the project into a touristic destination. As a result, the Board of Directors resolved to propose to the Extraordinary General Assembly to reduce the capital of the Associate from AED 4 billion to AED 2 billion by returning land worth AED 1 billion to the Government of Ajman and returning AED 1 billion in cash to the remaining shareholders. The extraordinary General Assembly held on 31 May 2010 approved the above resolution. An amount of AED 120 million (equivalent to US$ 32,675,289) has been transferred to Solidere International Limited representing its 6% free equity of the returned capital. A net of AED 112 million (equivalent to US$ 30,517,711) has been retained by Solidere International Limited after all deductions.

The Directors of Al Zorah Development (Private) Company Limited (PSC) have resolved in their meeting held on 27 May 2014 to distribute dividends amounting to AED 1.25 per share. The Group's share amounted to AED 12,250,000 (equivalent to US$ 3,333,231), and was collected in 2014.

(b) Golden Tower LLC

During 2011, the Group incorporated, together with another partner, a limited liability company, Golden Tower LLC. The associate which is 50% owned by Solidere International Limited has a capital of SAR 1,000,000 divided into 1,000 shares of SAR 1,000 each. The associate's objective is to develop a real estate project in the city of Jeddah.

On 27 November 2011, the Group signed with its associate Golden Tower LLC a loan agreement whereby the Group granted a loan of SAR 80,000,000 split into two tranches as follows:

- Tranche 1 amounting to SAR 40,000,000 (equivalent to US$ 10,669,512) payable after 6 years from the date of the loan agreement and not subject to any interest rate and recorded as an investment in Golden Tower LLC.

• Tranche 2 amounting to SAR 40,000,000 (equivalent to US$ 10,669,512) payable in yearly instalments of SAR 8,000,000 over 5 years and subject to an interest calculated at 5% + 3 month Libor p.a.

During 2013, the Group signed with its associate, Golden Tower LLC, a second loan agreement whereby the Group granted its associate a US$ 40 million loan facility. This loan is subject to an effective interest of 5% plus 3 months LIBOR and is payable over seven quarterly installments, six of which amount to US$ 5.7 million each starting 25 June 2015. The remaining balance is payable on 25 December 2016. As of 31 December 2014, Golden Tower LLC withdrew an amount of US$ 40 million (2013: US$ 11,407,382).

Interest income on the loans to Golden Tower LLC amounted to US$ 1,040,601 during 2014 recorded in Finance income in the consolidated statement of profit or loss and other comprehensive income (2013: US$ 407,658) (note 9 & 24).

(c) Development and Investment Company Limited

During 2010, the Group acquired 43.75% of the shares of a limited liability company, Development and Investment Company Limited through its wholly owned subsidiary, SI Garden City Limited. The Group's investment in the associate amounted to US$ 65,937,869 (2013: same). The associate's objective is to develop real estate projects.

Dividends income from Development and Investment Company Limited amounted to US$ 1,523,655 during the year ended 31 December 2014 (2013: US$ 678,081).

(d) Oger Solidere Alliance for Real Estate Development Co. LLC

During 2008, the Group incorporated, together with Saudi Oger Limited and other partners, a limited liability company, Oger Solidere Alliance for Real Estate Development Co. LLC. The associate which is 20% owned by Solidere International Limited has a capital of SAR 500,000 divided into 500 shares of SAR 1,000 each. The associate's objective is to develop a real estate project in the city of Riyadh.

On 6 March 2009, the Group signed a shareholder loan with its 20% owned associate Oger Solidere Alliance for Real Estate Development Co. LLC whereby the Company granted its associate a 3-year non-interest bearing loan to partially finance the acquisition of a land purchased from Saudi Oger Limited for a total commitment of SAR 226,940,000 (US$ 60,527,192). The loan will be made available in two separate drawdowns as follows:

- A first draw down of SAR 167,540,000 (equivalent to US$ 44,687,192)
- A second drawdown of SAR 59,400,000 (equivalent to US$ 15,840,000)

The repayment of the loan shall be made by way of conversion of the loan into shares of SAR 1,000 par value each. According to the Memorandum of Understanding signed on 18 March 2008 between the shareholders of the associate, the Company is granted a 3-month put option to sell all of its shares at a determined price within a specified period and, if not exercised, the Company grants the other shareholder a 3-month call option at a determined price within a specified period. As at 31 December 2010, the first drawdown of SAR 167,540,000 was requested and fully paid.

On 6 October 2011, the Group exercised the put option right in compliance with the terms of the shareholders' agreement executed on 6 March 2009 between the Group and its associate. The settlement took place in 2013 and represented the loan first drawdown amounting to SAR 167,540,000 (US$ 44,713,859) along with total accrued interest calculated at an interest rate of 4% per annum up to the date of settlement.

15 INVESTMENTS IN FUNDS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	COUNTRY OF INCORPORATION	ACTIVITY	OWNERSHIP OF UNITS		2014		2013	
			2014 %	2013 %	COST US$	FAIR VALUE US$	COST US$	FAIR VALUE US$
MED-SI Real Estate Development Fund II (a) (Committed capital of SAR 1,250 million)	Saudi Arabia	Real estate development	51.32%	51.80%	171,099,004	203,085,961	172,698,675	172,698,675
BLOM Solidere Real Estate Fund (b) (Committed capital of SAR 600 million)	Saudi Arabia	Real estate development	50%	50%	76,020,307	95,100,189	76,020,307	76,568,957
Solidere BLOM Real Estate Fund III (c) (Committed capital of SAR 250 million)	Saudi Arabia	Real estate development	56.40%	-	31,968,525	35,625,252	-	-
BLOM Solidere Compound Real Estate Fund (d) (Committed capital of SAR 723 million)	Saudi Arabia	Real estate development	85.03%	-	154,098,667	154,098,667	-	-
Less: deferred income (d)					-	(11,319,470)	-	-
					433,186,503	**476,590,599**	248,718,982	249,267,632

The difference between the cost and fair value of the funds comprises of unrealized gain from revaluation of funds designated at fair value through profit of loss and deferred income as follows:

	2014 US$	2013 US$
Balance at 1 January	548,650	-
Unrealized gain from revaluation of funds		
at fair value through profit or loss	54,174,916	548,650
Deferred income	(11,319,470)	-
Balance at 31 December	**43,404,096**	**548,650**

(a) MED-SI Real Estate Development Fund II
During the year ended 31 December 2013, the Group agreed with a Saudi Fund Manager to invest in MED-SI Real Estate Development Fund II (closed real estate fund) having a total capital commitment of SAR 1,250 million. The Group subscribed for SAR 647.5 million representing 51.8% of the total committed capital. The fund called for 100% of the capital commitment during 2013.

The fund's purpose is to acquire the plot of land located in Al Malga district in the city of Riyadh, Saudi Arabia with a total area of 1,080 thousand square meters. The fund will develop a master plan that integrates a number of diversified sub-projects and offer developed properties and non-developed plots of land to potential buyers.

The fund term is seven years from the closing date subject to a two one-year extensions.

The fair value of the above investment in this fund was not materially different from the cost of the investment for the year ended 31 December 2013.

During 2014, the Group sold 6,000 units for a total amount of SAR 6 million (equivalent to US$ 1,599,671) to a related party.

As per the agreement signed between the Group and the Fund Manager, the Group rendered development and other services amounting to US$ 2,133,290 recorded under "Revenue" in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2014 (2013: nil).

(b) BLOM Solidere Real Estate Fund
During the year ended 31 December 2013, the Group agreed with a Saudi Fund Manager to invest in BLOM Solidere Real Estate Fund (closed real estate fund) having a total capital commitment of SAR 600 million. The Group subscribed for SAR 300 million representing 50% of the total committed capital. As the fund called for 95% of the capital commitment, the Group's investment as of 31 December 2013 and 31 December 2014 amounted to SAR 285 million.

The fund's purpose is to acquire a co-owned plot of land located in North Jeddah, Saudi Arabia with a total fund land area of 500 thousand square meters. The fund will develop the land as per the pre-approved master plan and subsequently sell the properties to developers or other clients. Some of the properties may be chosen for further development into villas or residential units by the fund.

The fund term is three years from the closing date subject to a two one-year extensions.

As per the agreement signed between the Group and the Fund Manager, the Group rendered development and other services amounting to US$ 903,581 recorded under "Revenue" in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2014 (2013: US$ 330,050).

(c) BLOM Solidere Real Estate Fund III
During the year ended 31 December 2014, the Group agreed with a Saudi Fund Manager to invest in Solidere BLOM Real Estate Fund III (closed real estate fund) having a total capital commitment of SAR 250 million. The Group subscribed for SAR 141 million representing 56.40% of the total committed capital. As the fund called for 85% of the capital commitment, the Group's investment as of 31 December 2014 amounted to SAR 119,850,000 (equivalent to US$ 31,968,525).

The fund's purpose is to acquire a raw land located in North Jeddah, Saudi Arabia with a total area of 184 thousand square meters. The fund will develop the land as per the pre-approved master plan and will subsequently sell the properties to developers or other clients. Some of the properties may be chosen for further development into villas or residential units by the fund.

The fund term is three years from the closing date subject to a two one-year extensions.

(d) BLOM Solidere Compound Real Estate Fund
During the year ended 31 December 2014, the Group agreed with a Saudi Fund Manager to invest in BLOM Solidere Compound Real Estate Fund (closed real estate fund) having a total capital commitment of SAR 723 million. The Group subscribed for SAR 614,755,000 (equivalent to US$ 163,934,752) representing 85.03% of the total committed capital. As the fund called for 94% of the capital commitment, the Group's investment as of 31 December 2014 amounted to SAR 577,870,000 (equivalent to US$ 154,098,667). The Group's subscription in the fund was paid through the transfer in kind of Solidere Qortoba LLC, a subsidiary, for a total value of US$ 133,810,526 and through cash payments amounting to US$ 20,288,141. The transfer in kind of the subsidiary resulted in a gain of US$ 13,312,325 of which US$ 11,319,470 was deferred. The Group deferred 85% of the resulting gain that will be recognized in subsequent years upon the transfer of units or the earning of returns from the fund.

The Fund Manager intends to develop the land into a high-end expatriate residential compound with a retail strip on a 270 thousand square meters land area. The land is located in the Qortoba area, North Riyadh, Kingdom of Saudi Arabia. The fund's term is five years commencing from the inception date and subject to renewal for up to two additional periods of two-years each.

The fair value of the above investment in fund was not materially different from the cost of the investment for the year ended 31 December 2014.

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INVESTMENTS IN SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	COUPON RATE %	MATURITY DATE	2014 BOOK VALUE US$	2014 CHANGE IN FAIR VALUE US$	2014 FAIR MARKET VALUE US$	2013 FAIR MARKET VALUE US$
1-year US$ callable yield note on multi-indices	7.00	31 May 2013	-	-	-	-
1-year 6.82% US$ callable yield note on multi-indices	6.82	1 February 2013	-	-	-	-
			-	**-**	**-**	**-**

The Group invested in "conditional" capital guaranteed structured products, issued by a foreign financial institution. Coupon rates on the products depend on certain conditions being satisfied which vary depending on the underlying instrument, but mainly is related to the Libor rate. The fair value of all equity securities is based on their current bid prices in an active market. These investments are stated at fair value as at 31 December 2012. The products matured during 2013.

The Group classified the above instruments within level 1 in the fair value hierarchy of financial instruments. Changes in fair values of investments in securities designated at fair value through profit or loss are recorded in "other expenses – net" in the consolidated statement of profit or loss and other comprehensive income (note 8).

The net gain resulting from investments in securities designated at fair value through profit or loss, excluding provision for impairment, is as follows:

	2014 US$	2013 US$
Changes in far value of investments designated at fair value through profit or loss (note 8)	-	246,832
Interest income on investments designated at FVTPL (note 9)	-	86,757
Net gain	**-**	**333,589**

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ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

	2014 US$	2013 US$
Advance made in connection with the purchase of land	20,916,913	20,916,913
Due from related parties (note 24)	1,620,756	2,574,320
Accrued interest income on bank term deposits	109,466	452,568
Accrued interest income from related parties	1,696,057	655,458
Advance in connection with the purchase of shares in a Saudi Company	2,133,902	2,133,902
Advance made to City Center Development Co. LLC (under establishment) in connection with JCD project	1,867,594	1,867,594
Advance made to Al Riyadh Development Company in connection with Al Zahira project	587,607	587,607
Due from Blominvest Saudi Arabia	133,333	-
Prepaid expenses	418,385	393,021
Other advances	359,544	353,694
Rent deposits	73,898	73,898
Travel advances made to employees	26,806	53,894
Other receivables	177,870	73,573
	30,122,131	30,136,442
Less: provision for doubtful receivables and other debit balances	(2,455,201)	
(2,455,201)		
Less: collective impairment of receivables	(2,000,000)	-
	25,666,930	**27,681,241**

During 2010, the Group signed an agreement to purchase a plot of land in north of Riyadh for a total consideration of SAR 88,000,000 (US$ 23,481,418). During 2010, the Group paid an advance amounting to SAR 48,400,000 (US$ 12,914,780).

During 2010, the Group signed an agreement to purchase a plot of land in Corniche Street, Jeddah for a total consideration of SAR 80,000,000 (US$ 21,339,034). During 2011, the Group paid an advance amounting to SAR 40,000,000 (US$ 10,669,512). During 2012, the advance was transferred to Golden Tower LLC, an associate (note 14(b)).

During 2011, the Group paid an advance amounting to SAR 30,000,000 (US$ 8,002,133) to purchase a plot of land in Al Takhassusi, Riyadh.

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BANK BALANCES AND CASH

	2014 US$	2013 US$
Cash on hand	159,906	159,721
Current accounts	6,436,341	5,112,440
Short term deposits	44,206,799	121,283,250
	50,643,140	126,395,690
Cash and cash equivalents	**50,803,046**	**126,555,411**

Current accounts with banks earn interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The average interest rate ranges between 3.75% and 4.5% per annum (2013: same).

Bank balances are segregated between currencies as follows:

	2014 US$	2013 US$
US Dollars	47,123,315	125,220,338
Saudi Riyals	3,160,339	1,133,483
Egyptian Pounds	102,908	15,827
Lebanese Lira	-	3,253
United Arab Emirates Dirham	256,578	22,789
	50,643,140	126,395,690

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SHARE CAPITAL AND share premium

	AUTHORIZED US$	ISSUED AND FULLY PAID US$
11,000,000 shares of US$ 0.05 par value each (2013: the same)	**550,000**	**550,000**

SHARE PREMIUM

During the period from 7 June 2007 to 31 December 2007, the Group increased its capital from US$ 50,000 to US$ 550,000 by issuing additional 10,000,000 shares of $0.05 each. This capital increase was made through a private placement in Dubai International Financial Centre resulting in a share premium of US$ 688,745,575.

FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries to the Group's functional currency.

CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2014 and 2013. Capital comprises share capital, share premium, retained earnings and other reserves, and is measured at US$ 879,813,547 as of 31 December 2014 (31 December 2013: US$ 815,367,179).

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BANK LOAN

During 2013, the Group obtained a US$ 40 million loan facility from one of the commercial banks. The loan is subject to an effective interest rate calculated at 5% plus 3-month Libor. This loan is unsecured and is repayable over 7 quarterly instalments, 6 of which amounting to US$ 5.7 million each starting on 25 June 2015 and ending on 25 June 2016 and the balance is payable on 25 December 2016. As of 31 December 2014, an amount of US$ 40 million was drawn down (2013: US$ 15 million).

As at 31 December 2014, the interest incurred on the loan amounted to US$ 1,605,892 (2013: US$ 248,420) and was recorded under "finance costs" in the consolidated statement of profit or loss and other comprehensive income (note 9).

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EMPLOYEES' END-OF-SERVICE BENEFITS

Movement in the provision recognized in the consolidated statement of financial position is as follows:

	2014 US$	2013 US$
Balance at 1 January	1,269,769	1,042,409
Provided for during the year	905,453	416,816
Paid during the year	(432,495)	(189,456)
Balance at 31 December	**1,742,727**	**1,269,769**

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EMPLOYEES' STOCK OPTION PLAN RESERVE

The Board of Directors (BOD) in their meeting held on 18 June 2008 adopted the Employee Stock Option Plan (ESOP) scheme at the grant levels adopted by the compensation committee in their meeting held on 5 May 2008. The Board resolved that the aggregate number of such shares shall not exceed 10% of the issued share capital of the company and such shares are not issued for less than US$ 70 per share. On 15 September 2008 the BOD authorized the Compensation Committee to issue the ESOP shares option.

Share options are granted to directors and selected employees. The vesting of the share options is as follows:
- 1/3 of the plan shares in 3 years from the grant date
- 1/3 of the plan shares in 4 years from the grant date
- 1/3 of the plan shares in 5 years from the grant date

The options are exercisable starting three years from the date of grant at the agreed option price per share. The contractual term of the share options is seven years from the date of the grant (until 5 May 2015). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	EXERCISE PRICE PER SHARE US$	NUMBER OF OPTIONS	EXERCISE PRICE PER SHARE US$	NUMBER OF OPTIONS
At 1 January	70	754,500	70	754,500
Granted	-	-		
Exercised	-	-	-	-
Expired	-	-	-	-
At 31 December	**70**	**754,500**	**70**	**754,500**

The award was given to employees during November 2009. The provision for share-based payment was calculated effective from the grant date and provided for during the year of notification to employees against the share-based payment reserve which is used to recognise the value of equity-settled share-based payment transactions provided to employees, including key management personnel, as part of their remuneration.

The fair value of the share options is estimated at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the share options were granted.

The following table lists the inputs to the model used for the plan for the years ended 31 December 2014 and 2013:

	2014	2013
Dividend yield (%)	0%	0%
Expected volatility (%)	5%	5%
Risk-free interest rate (%)	4%	4%
Expected life of share options (years)	3	3
Exercise price (US $)	70	70

Movement in the reserve recognized in the consolidated statement of financial position is as follows:

	2014 US$	2013 US$
Balance at 1 January	5,844,300	5,710,868
Provided during the year (note 7)	-	133,432
Balance at 31 December	**5,844,300**	**5,844,300**

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ACCOUNTS PAYABLE AND ACCRUALS

	2014 US$	2013 US$
Accrued expenses	2,956,295	2,472,216
Advance received	1,646,875	1,829,401
Due to related parties (note 24)	618,008	2,946,094
Provision for annual leaves	507,990	-
Retention payable	138,338	-
Provision for miscellaneous charges	94,988	75,000
Deferred revenue	40,000	-
Accrued interest payable	34,387	248,149
Other payables	45,144	52,313
	6,082,025	**7,623,173**

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RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount of transactions, which have been entered into with related parties for the relevant financial year:

	2014		2013	
	SERVICES RENDERED TO RELATED PARTIES US$	**SERVICES PROVIDED BY RELATED PARTIES** US$	**SERVICES RENDERED TO RELATED PARTIES** US$	**SERVICES PROVIDED BY RELATED PARTIES** US$
SHAREHOLDER				
The Lebanese Company for the Development and Reconstruction of Beirut Central District (Solidere) sal	-	926,615	-	2,395,950
ASSOCIATES				
Al Zorah Development (Private) Company Ltd (note 6)	1,727,128	-	3,248,255	-
Golden Tower LLC	1,680,000	-	1,788,000	-
	3,407,128	**926,615**	**5,036,255**	**2,395,950**

	2014 US$	2013 US$
FINANCE INCOME		
Associate:		
Golden Tower LLC (note 9)	1,040,601	407,658
	1,040,601	**407,658**

The following table provides the total amount of balances with related parties for the relevant financial year:

	2014		2013	
	DUE FROM RELATED PARTIES US$	**DUE TO RELATED PARTIES** US$	**DUE FROM RELATED PARTIES** US$	**DUE TO RELATED PARTIES** US$
SHAREHOLDER				
The Lebanese Company for the Development and Reconstruction of Beirut Central District (Solidere) sal	-	618,008	-	2,946,094
ASSOCIATES				
Al Zorah Development (Private) Company Ltd	1,603,741	-	2,564,463	-
Golden Tower LLC	17,015	-	9,857	-
	1,620,756	**618,008**	**2,574,320**	**2,946,094**

The above balances are interest free.

As per the agreement signed with its associate, Al Zorah Development (Private) Company Ltd, the Group receives management fees calculated at the rate of 5% of the associate's net profit. Management fees accrued as at 31 December 2014 amounted to US$ 1,503,741 (2013: US$ 1,716,649) (note 4).

As per the agreement signed with National Company for Real Estate Projects S.A.L., a related party, the Group receives management fees calculated at the rate of 5% of related party's net profit. Management fees as at 31 December 2014 amounted to nil (2013: US$ 250,281) (note 4).

Other transactions and balances with related parties are disclosed in note 14.

Compensation of key management personnel for the year ended 31 December 2014 amounted to US$ 3,050,000 (2013: US$ 3,975,000). The remuneration of the Board of Directors for the year ended 31 December 2014 amounted to US$ 450,000 (2013: US$ 450,000).

DIRECTORS' INTERESTS IN THE STOCK OPTION PLAN

Share options held by executive members of the Board of Directors under the stock option plan to purchase ordinary shares have the following expiry dates and exercise prices:

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE US$	2014 NUMBER OUTSTANDING	2013 NUMBER OUTSTANDING
2008	5 May 2015	70	**685,000**	**685,000**

25 RISK MANAGEMENT

The Group in the normal course of its operations is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from its cash and bank balances and receivables. In addition, the Group has equity exposure arising from its investment portfolio.

INTEREST RATE RISK

The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank balances, bank term deposit, loan to an associate and bank loan).

An increase of 0.1% in interest rates, with all other variables held constant, would increase profits by US$ 61,313 (2013: US$ 162,065). A decrease would have the opposite effect.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances, its accounts receivable and certain other financial assets as follows:

	2014 US$	2013 US$
Investments in funds designated at FVTPL	476,590,599	249,267,632
Accounts receivable and other debit balances	25,248,545	27,288,220
Loan to an associate	50,669,512	22,076,894
Bank balances and cash	50,803,046	126,555,411
	603,311,702	**425,188,157**

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

The amounts reflected in the consolidated statement of financial position are stated at net realizable value, estimated by the Group's management based on prior experience and the current economic environment.

LIQUIDITY RISK

The Group limits its liquidity risk by ensuring bank facilities are available.

The table below summarizes the maturities of the Group's undiscounted financial liabilities at 31 December based on contractual payment dates and current market interest rates:

	LESS THAN 3 MONTHS US$	3 TO 12 MONTHS US$	1 TO 5 YEARS US$	ş5 YEARS US$	TOTAL US$
Year ended 31 December 2014					
Bank loan	-	19,238,877	23,777,748	-	43,016,625
Accounts payable	2,488,365	-	-	-	2,488,365
	2,488,365	**19,238,877**	**23,777,748**	**-**	**45,504,990**
Year ended 31 December 2013					
Bank loan	-	-	15,745,260	-	15,745,260
Accounts payable	4,827,808	-	-	-	4,827,808
	4,827,808	**-**	**15,745,260**	**-**	**20,573,068**

CURRENCY RISK

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is not significantly exposed to currency risk as its currency exposure is mostly in US Dollars, and Saudi Riyal which is pegged to the US Dollar. The Group manages its exposure to Egyptian Pounds by monitoring exchange rates.

EQUITY PRICE RISK

The Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

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FAIR VALUES

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, investments in funds, investments in securities and receivables. Financial liabilities consist of accounts payable, bank loan and certain other liabilities.

The fair values of financial instruments are not materially different from their carrying values.

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities as at 31 December:

	QUOTED MARKET PRICE LEVEL 1 US$	VALUATION TECHNIQUES OBSERVABLE INPUTS LEVEL 2 US$	UNOBSERVABLE INPUTS LEVEL 3 US$	TOTAL US$
2014				
FINANCIAL ASSETS MEASURED AT FAIR VALUE				
Investments in funds designated at fair value through profit or loss (FVTPL)	-	476,590,599	-	476,590,599
FINANCIAL ASSETS MEASURED AT AMORTIZED COST FOR WHICH FAIR VALUES ARE DISCLOSED				
Loans to an associate	-	50,669,512	-	50,669,512
Accounts receivable and other debit balances	-	25,666,930	-	25,666,930
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST FOR WHICH FAIR VALUES ARE DISCLOSED				
Bank loan		40,000,000	-	40,000,000
Accounts payable	-	2,488,365	-	2,488,365
2013				
FINANCIAL ASSETS MEASURED AT FAIR VALUE				
Investments in securities designated at fair value through profit or loss (FVTPL)	-	249,267,632	-	249,267,632
FINANCIAL ASSETS MEASURED AT AMORTIZED COST FOR WHICH FAIR VALUES ARE DISCLOSED				
Loans to an associate	-	22,076,894	-	22,076,894
Accounts receivable and other debit balances	-	27,681,241	-	27,681,241
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST FOR WHICH FAIR VALUES ARE DISCLOSED				
Bank loan	-	15,000,000	-	15,000,000
Accounts payable	-	4,827,808	-	4,827,808

The directors of the Company consider that the carrying amounts of loans to an associate, accounts receivable, bank loan and accounts payable approximate their fair value due to the short-term maturities of these instruments.

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COMPARATIVE FIGURES

Net gain from funds designated at fair value through profit or loss was reclassified from "Other income (expense) - net" to "Net gain from funds designated at fair value through profit or loss". Comparative figures amounting to US$ 548,650 were reclassified accordingly. This change has been made to improve the quality of information presented.

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