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 NINE 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, SOLIDERE INTERNATIONAL'S MISSION REMAINS THAT OF PLANNING, DEVELOPING, AND **BUILDING PLACES FOR LIFE.**

ANNUAL REPORT

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 MAIN PROJECTS, AND INCLUDES A CORPORATE REPORT WITH FINANCIAL RESULTS.

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.

COLOPHON

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A WORD FROM THE CHAIRMAN

Dear Shareholders,

In last year's letter, I declared that 2014 had been an exceptional year of financial and operational performance, and I forecasted a trend of sustained profitable growth for the years ahead. Today, following our commitment to drive prospective growth further, I am delighted to inform you that 2015 proved to be another year of significant progress for the Company. I am pleased to share with you that Solidere International reported a consolidated income of US$61.8 million for the year ended 31 December 2015.

Solidere International has achieved significant growth in the delivery and development of its ongoing projects.
In the fourth quarter of 2015 we inaugurated the 18-hole Golf Course of our flagship project, the Al Zorah Development in Ajman, an accomplishment that received considerable appreciation from the media as well as from golf enthusiasts, clients, and investors. This launch, the first of many yet to come, is testimony to our commitment toward our twelve ongoing projects in four cities across three countries. The value of works on hand and being developed over a total land area of approximately 8 million square meters exceeded US$1.9 billion at 31 December 2015. We are pleased to confirm that 2016 and 2017 will witness the delivery of a substantial number of the Company's major development projects.

Our 2015 fiscal year reported consolidated income further strengthened our balance sheet. Solidere International's total equity reached a record US$1 billion — 7 percent above figures for 2014, and total assets grew to exceed US$1 billion. Cumulative retained earnings recorded an amount of US$246 million — equivalent to approximately US$22 per share of undistributed income. This drove our book value at 31 December 2015 to more than US$85 per share.

Despite approved and drawn bank financing of some ongoing developments being close to US$400 million, we worked diligently to ensure our consolidated corporate net debt position remained very low. It currently stands at less than 4 percent of total assets. This was made possible by adopting a conservative policy through ensuring that our developments are either self-financed or project financed, thus maintaining financial flexibility at a corporate level.

We have diligently monitored our cash balance to ensure enough liquidity is available at all times. From 2012 to 2014, the Group used more than US$480 million of its cash reserves and available bank financing to fund the acquisition and development of properties that were in the pipeline. During 2015, the Company injected an additional US$10 million to drive the progress in one of our developments.

Over the years, our capital remained intact. By the end of 2015, Solidere International's capital has been fully deployed in acquisitions and project developments. We made sure to finance all of the Company's overheads, business development activities, offices and equipment capex since inception, in addition to bank loan financing and shareholder dividends by revenues, management fees, and interests realized rather than shareholders' capital.

Throughout the year we continued our objective of consolidating our resources and know-how, aiming to decrease Group overheads and the cost base. As a result, we managed to further reduce the total Group overheads by 3 percent in 2015 compared to 2014 and by 34 percent compared to 2012, the year we started the initiative.

A number of years ago, and in spite of the challenges we faced at the time, we undertook a major decision to rescale the mixed-use Al Zorah development in Ajman to adapt to new market conditions. Today, this unique beach and mangrove endowed site is being developed as a touristic destination, after which mixed uses will follow. As a result of this shift in strategy, we were able to reduce the project's capital by 50 percent and invest the excess cash in other projects in Jeddah and Riyadh.

Last year we made tremendous progress in realizing our vision for this project when the Golf Course became operational. It was immediately hailed as one of the best new golfing venues in the region and is rapidly gaining wide recognition.

NASSER CHAMMAA
Chairman and Chief Executive Officer

We will maintain and enhance our commitment toward driving prospective growth further. We are determined to keep the Company's results in line with our commitments made over the past two years.

The Oberoi Al Zorah, acclaimed by the media as one of 2016's most highly anticipated new hotels, will be ready for a soft opening before the end of the year. We plan to deliver the first phase of Al Zorah Golf Villas during the third quarter and we also have the prospect of Al Zorah Marina commencing operations soon, as well as Marina Park opening to the public by the end of the year. Among other tourist attractions is a beach club, water sports activities, a cycling trail as well as strategically located food and beverage outlets to animate this vast site.

We are witnessing growing interest in the project and are increasingly receiving and evaluating offers from prominent developers and investors keen to co-develop tourist, educational, and residential projects. We believe the value of Al Zorah's land bank is today worth a multiplier of our cost. We remain confident that, over time, our commitment to growing this destination into a major attraction not only for tourism, but for residential and commercial developments too, will further raise third-party developers' interest in the project and will result in further substantial appreciation in land bank value.

Our strategy in Saudi Arabia focuses on a number of priorities led by accelerating the completion and delivery of the ongoing projects. Indeed, the Golden Tower in Jeddah is now starting to glitter after its 48-story high concrete skeleton has been delivered and its external curtain wall and internal finishing are progressing as scheduled. Not too far away, in Obhur, our land development projects are also on track. Our team in Riyadh is scheduled to deliver substantial completion of the most prestigious new compound, Wadi Qortoba, by the end of 2016. In this regard, we can assure you that the Company is well placed to deliver the various developments planned for completion over the next one to two years on target.

To ensure that we are always assessing our strategic choices, we continue to diligently monitor the markets in order to anticipate project and investment risks. Though our carefully managed strategies have proven to be resilient to sudden market changes, we continue to make every effort to diversify our portfolio of projects and replicate our business model in new territories so as to mitigate external risks resulting from the prevailing economic environment.

We have started working on the development of a number of retail strips. On completion, these will further increase cash from our income generating assets. Our objective is to roll-out the same business model and develop a large number of similar retail strips that will generate stable cash flow and help diversify risks.

As the first cycle of the Company's investments is approaching maturity and payback, we are targeting an exit from those completed developments, which are planned to be delivered and sold in the forthcoming 12 to 18 months, as well as other plots that no longer match our development criteria. This will result in a substantial additional cash balance available to the Company in 2017 and 2018.

As we look forward to maintaining our growth cycle, management aims to redeploy a share of collected capital by investing in new opportunities — some of which will be acquisitions and projects currently planned in our pipeline — within markets we are presently operating in, as well as by diversifying into so far untapped countries. Substantial equity from within our cash position will be available for distribution to shareholders.

Finally, we continue to evolve the Company's internal operating policies and practices to be on par with leading practices and to consolidate the efficiencies of our delivery systems. We will also continue to monitor our overhead expenditure with the aim to achieve maximum efficiency. Our long-term deep-rooted focus remains that of building long-term value for our shareholders.

We will maintain and enhance our commitment toward driving prospective growth further. While investors and developers in the region have experienced persistent complications since the global financial downturn and the ongoing slowdown in economic growth, low oil prices, and social and geopolitical insecurity in the Middle East, we are determined to keep the Company's results in line with our commitments made over the past two years.

I am confident that Solidere International's best moments are yet to come. In my next letter in 2017, I look forward to announcing the launches and openings of a number of projects, including the high-end expatriate compound in Riyadh, Wadi Qortoba and The Oberoi Al Zorah resort hotel in Ajman, and to presenting you with another year of good performance in fiscal 2016.

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 confidently pursued the execution of all planned developments in the KSA and the UAE and sales are actively being pursued and effected. Our property management teams have begun to look into operational issues in preparation for the receipt and administration of built assets over the coming two years. We have also expanded the scope of our joint ventures and laid foundations with partners of repute for future cooperation on new projects.

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 first project, Al Zorah Golf Course, is already launched and operational and it is expected that several of our ongoing projects will be ready by end of 2016 through mid-2017.

GOLDEN TOWER
JEDDAH, KSA

On the northern stretch of Jeddah's Corniche, the construction of Solidere International's iconic residential development, Golden Tower, was successfully launched on April 28, 2014. To date, all concrete works have been completed. The facade of the 48-story tower is currently being clad and the interior finishing is in progress. Golden Tower will be largely complete at the end of 2016, by which time it will have already claimed a defining place on the Jeddah skyline. Positioned as the city's most exclusive residential address, Golden Tower has attracted the attention of discerning investors and prospective residents. While market responses were initially restrained when the project was launched, current sales progress and achieved sales value are both demonstrations of the market's appreciation of this project's quality.

RAYAT OBHUR
JEDDAH, KSA

Strategically located on Prince Abdul Majeed Road in the up-and-coming district of Obhur in northern Jeddah, just six kilometers from the Kingdom Tower, work has advanced on this one million square meter plot of land, which was acquired in 2012 by a real estate fund in association with a Saudi partner. Marketed as Rayat Obhur, this land development project will become two distinctive residential communities, bordered by a commercial strip, and is targeted at middle-class residents. The project is financed through a SAR600 million Fund, of which the Company owns 50 percent. The delivery of infrastructure is on schedule for summer 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-looking project, this time 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, 60 percent of the development is allocated to the private domain and 40 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. The delivery of infrastructure works is expected by the second quarter of 2017, after which booked land sales contracts can be executed.

WADI QORTUBA
RIYADH, KSA

Located in the rapidly growing northeast quarter of Riyadh, construction has gathered pace on Wadi Qortuba — a high-end compound of 600 residential units for expatriates. All concrete work for the villas, apartments, and clubhouse has been completed and finishing work is proceeding gradually. Ideally suited to contemporary living, the integrated community offers great convenience and numerous lifestyle benefits and is largely due for delivery by end of 2016.

The Company's development of a 39,731 square-meter mixed-use project, which will be located at the northern edge of the compound and includes retail facilities, commercial spaces, an entertainment anchor and the possibility for inclusion of future office space, is under way. 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 85.03 percent.

MALQAY DEVELOPMENT
RIYADH, KSA

In the Al Shemal municipality in the northern part of Riyadh, Solidere International has commenced infrastructure work on Malqay, 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 would occupy part of the site and include retail and small office components as well as a boutique hotel. The project is financed through a SAR1.25 billion real estate Fund, of which Solidere International owns 50 percent. Infrastructure creation is under way, with expected delivery in the fourth quarter of 2016.

PARK LANE
RIYADH, KSA

Solidere International has launched its first residential community targeting young Saudi families in one of Riyadh's most sought after neighborhoods, Hittin-Al-Thaghr. The market for luxurious residential villas in the capital's upscale neighborhoods is in a transitional phase, as affluent Saudis seek sustainable and modern living spaces. Park Lane addresses the needs of the millennials who trade exaggerated large spaces for higher quality design and finishes.

The project consists of developing 30 independent villas, with built-up areas that range from 328 to 641 square meters, around an 18-meter wide, private stone-paved lane that leads to a pocket park. Landscaping is a focal point of the master plan and is integrated within the architecture to cascade from rooftop terraces down to flowerbeds that are carefully integrated in the villas' facades, all the way to the sidewalks and the park. The master plan addresses privacy and security concerns through subtle design solutions that preserve the project's refined lifestyle.

MUZAHIMIYAH AVENUE
RIYADH, KSA

Muzahimiyah Avenue is one of a series of retail neighborhood centers that Solidere International is launching across the Kingdom. The strategy to build a retail network aims to capitalize on the urban growth in secondary cities that is currently being triggered by the recent efforts of the Saudi government to decentralize healthcare and educational facilities.

The project is strategically located along the Riyadh-Makkah Highway, 40 kilometers west of Riyadh. In addition to the growing population of Muzahimiyah and the upcoming King Saud University, the project aims to serve highway commuters and a number of neighboring villages.

Muzahimiyah Avenue is anchored by Skyzone, an entertainment park operated by Al Hokair Group, and further supported by a mix of food and beverage and convenience stores. The gross leasable area of the project is around 5,500 square meters on a land area of approximately 12,000 square meters.

UPTOWN PARK
HAZMIEH, LEBANON

Solidere International and its joint venture partners have recently committed themselves to a re-launch of Uptown Park, a residential mixed-use community.

A revised strategy repositions the project through a phased development scheme that would diversify risks by introducing third-party developers. A new master plan was conceived with the objective of maintaining a central linear park and several pocket parks that offer privacy and security, plus delivers optimized sea views from most of the residential units.

Solidere International has devised a flexible exit strategy that balances development and land sales to competent developers while preserving a harmonious urban community. The total land area of the master plan is 90,921 square meters surrounded by a cluster of parceled plots amounting to 15,826 square meters, which will be sold in tandem as part of the integrated community.

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.

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. First phase development is moving quickly to create a sweeping experience out of this unique, natural destination. Following the completion of a world-class golf course, which opened in December 2015, a beach resort plus marina, golf residences, cycling paths, and beach experience encompassing numerous food and beverage attractions are under development.

Infrastructure works in Al Zorah are becoming well-established. All major roads, as well as landscaping, should be finished by September 2016. This includes all underground utilities, sidewalks, street lights, directional signs, and lush landscaping.

Construction of the 113-key, five-star, Oberoi Al Zorah is substantially advanced. The resort's target opening date is in the fourth quarter of 2016. Also under construction, the 191-key, five-star Lux* Al Zorah is expected for handover by the end of 2017.

The golfing fairway-located residential community will include two 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, and construction is under way. Delivery is expected by August 2016.

Facing the marina, which is expected to be fully operational by end of 2016, Al Zorah is developing temporary food and beverage outlets and children's entertainment park. This attraction, with views over the mangroves and creek, will open to visitors by end of 2016. The Al Zorah Development Company is also working with some investors on developing a beach concept that will be established as a public attraction within the project, as well as in Ajman and the UAE.

The existing experience at Al Zorah has recently been enhanced with the opening of two restaurants at the Pavilion — the development's community center and public showcase.

COMPANY PROFILE

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

Solidere International is diversifying into value-added services that have strong growth potential in retail and complementary sectors. It has established a department to develop and operate various retail models, which range from commercial strips to mixed-use community centers. The Company is capitalizing on its retail offerings, notable for their attention to design and for their distinctive lifestyle; in these projects, it promotes and leverages synergies among a wide array of tenants and commercial operators. Looking forward, the Company aims to replicate the success of its retail experience by pursuing ventures in the hospitality and education sectors.

REAL ESTATE INVESTMENT FUNDS

Solidere International's Private Real Estate Investment Funds provide a means for 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.

While professionals oversee all aspects of the management and administration of the funds, the Company acts as the sole appointed developer on those funds.

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
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
Auditor Ernst & Young
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
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.
Auditor Ernst & Young
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 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
Auditor Ernst & Young
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
Auditor Ernst & Young
Domicile Saudi Arabia
Geographic Focus Qortuba District, Riyadh
Regulator Capital Market Authority
Developer Solidere International Limited
SI Ownership 85. 3%

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 150,784 sq m residential compound and 39,731 sq m retail
Fund manager BLOMINVEST Saudi Arabia

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

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

MALQAY DEVELOPMENTM - RIYADH – KSA

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

PARK LANE - RIYADH – KSA

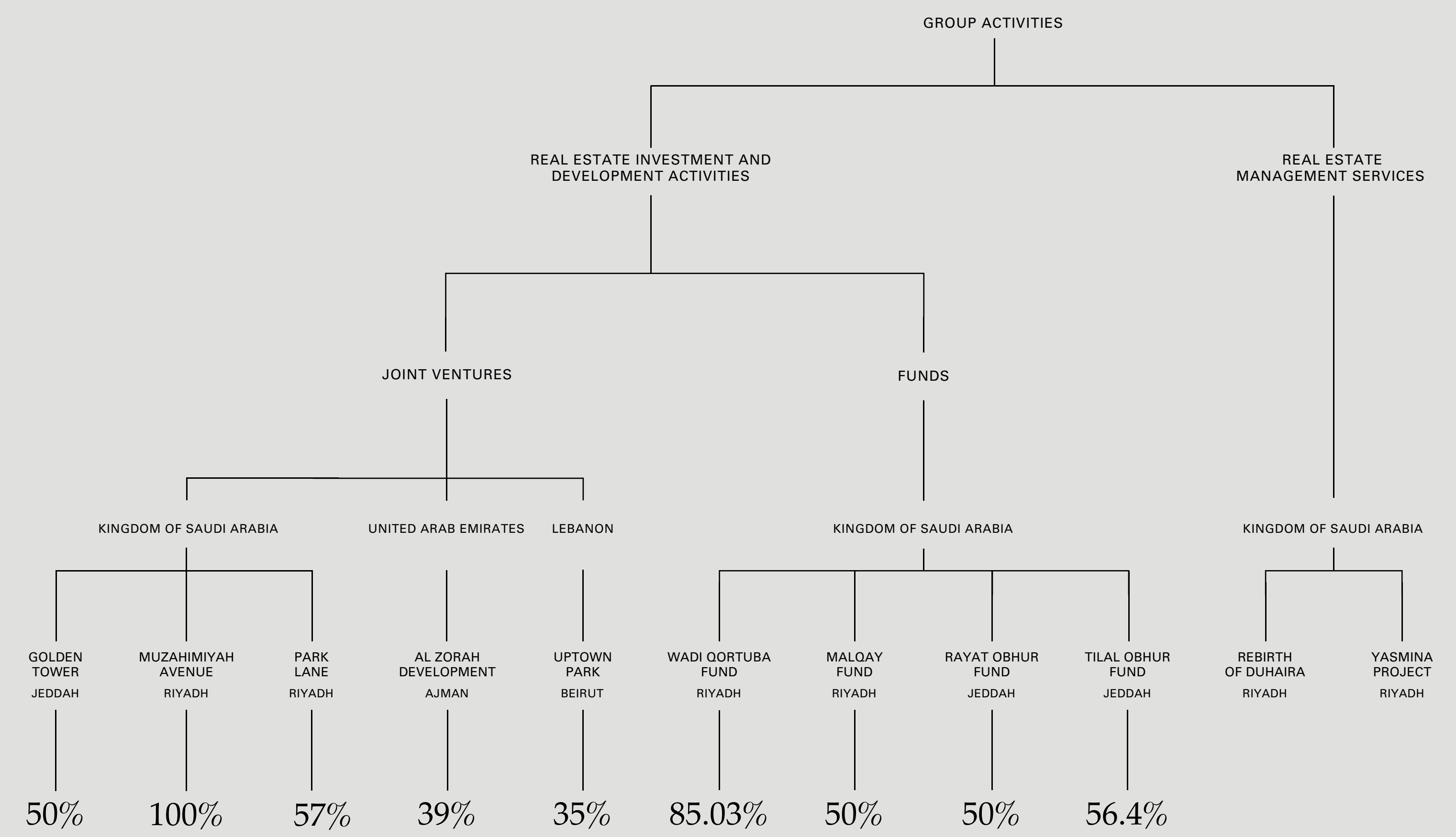
Objective Development of an exclusive residential community
Ownership 57% joint venture with landowner
Location Hittin
Land area 14,811 sq m

MUZAHIMIYAH AVENUE - RIYADH – KSA

Objective Development of a retail strip
Ownership 100%
Location Muzahimiyah
Land area 12,150 sq m

UPTOWN PARK - BEIRUT – LEB

Objective Development of land and community
Ownership Interests and rights totaling 35% of the project
Location Hazmieh
Land area 90,921 sq m (in addition to 15,826 sq m of land for sale)



5,430,885 SQM

LAND AREA

AL ZORAH DEVELOPMENT

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

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, UAE **Land area** 5,430,885 sq m

AL ZORAH NATURE

The site's rich natural diversity includes preserved mangrove forests, home to 58 species of resident and migratory birds.

AL ZORAH DEVELOPMENT

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 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 creek-side surroundings. A wealth of exploration trails, 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

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 Ittihad Road, as a combination of charming panoramas 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.

DEVELOPMENT

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 beach-front residences, a wellness center, three serviced residential apartment buildings, four marinas, and a visitors' pavilion.

SITE WORKS

Following the completion in 2014 of marine works, four marinas and a bridge, and 80 percent of the earthworks for the first-phase infrastructure has been completed.

The remaining first-phase infrastructure and landscaping works, including the wet utilities, power and telecommunications networks, and paving of the roads, will be completed in phases to ensure that utility services are available when needed for the various building projects that are under way, including The Oberoi Al Zorah and other resort and residential developments. Transformation of the overall site is now visible.

THE PAVILION

With a presentation center focused on the surrounding environment, the 6,900 square-meter Pavilion slopes down in terraces toward the mangroves 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 two restaurants.

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.

AL ZORAH GOLF CLUB

Laid out by Nicklaus Design and operated by world leaders, Troon, the golf course at Al Zorah, covering a total area of 700,000 square meters, opened in December 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.

MARINA 1 PARK

Envisioned in the long-term as a mid-rise, 5-star hotel district, Marina 1 will temporarily host a green, landscaped park that includes a variety of leisure and entertainment venues for visitors to dine, stroll, attend concerts, enjoy markets, sunbathe, or have a workout. Themed around the 'nautical', the park includes a harbormaster building, designed as a simple iconic geometric structure with large reflective facades. The marina has berthing facilities for boats of up to 40 meters long.

The north side of the park is dedicated to seven family-oriented food and beverage outlets and children's play areas; the east side, adjacent to the captaincy building, locates three retail outlets; and the south side hosts a manmade beach and two complementary food and beverage outlets. All the outlets have a modular design with tensile fabric shading structures.

For those seeking more challenging activities, a variety of water sports are available, as are kayak and sailboat rentals, to explore and interact with the rich natural environment of the surrounding mangroves.

Currently under construction, Marina 1 Park will be ready to receive visitors by the end of 2016.

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.

THE OBEROI CONSTRUCTION

Three-bedroom villas with shaded terraces and large openings to the beachfront are part of the much anticipated resort planned to open in 2016.

THE OBEROI LANDSCAPING

Carefully designed landscaping links the resort's main hotel and guest villas with public areas and the beachfront.

GOLF VILLAS CONSTRUCTION

With a prime location and views of the golf course, Golf Villas are already available for purchase and will be ready to welcome residents before end 2016.

GOLF CLUB OPENED IN 2015

Soon after its launch in December 2015, the championship green was hailed as one of the best new golfing venues in the region and the world.

MARINA 1 PARK TEMPORARY ACTIVITIES

Marina 1 will temporarily host a green, landscaped park that includes a variety of leisure and entertainment venues, planned to welcome visitors by the end of 2016.

THE OBEROI CONSTRUCTION

Divided into three platforms that run parallel to a 290-meter beachfront, the resort includes a mix of hotel rooms, suites, and villas.

THE MASTER PLAN

Company Al Zorah Development Private Company Limited P.S.C., Ajman
Partners Government of Ajman, SI Al Zorah Equity Investment Inc., Solidere International
Master planning and development 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.

LANDSCAPED ENVIRONMENT

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 spacing and street furniture.

DISTRICTS

01 THE 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 Al Zorah an additional sense of privacy and exclusivity.

02 THE 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 THE 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 THE FAIRWAYS

Located on the northern edge of the mangrove reserve, the 18-hole golf course is set partly within coastal dunes and partly within the mangrove wetlands.
It boasts a club- house, 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 THE 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.

AL ZORAH MASTER PLAN

A masterfully crafted mixed-use development with 60 percent of land area devoted to public space and includes a 12-kilometer waterfront, mangrove forest, and a natural creek.

AL ZORAH MASTER PLAN

The mixed-use project comprises quality real estate products that include beachfront resorts, residential developments, marinas, and retail and entertainment venues, supported by a variety of outdoor activities.

AL ZORAH LANDSCAPED ENVIRONMENT

Landscaped sidewalks provide natural shade for pedestrians while green linear parks offer space for outdoor activities and act as buffer zones for residential neighborhoods.

THE OBEROI ALZORAH

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 fourth 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 that is designed with a contemporary approach to traditional Arab architecture and consists of several pavilions connected by walkways around a shallow pool.

THE OBEROI MAIN LOBBY

Contemporary architectural style
and intimate atmosphere.

THE OBEROI MAIN LOBBY

Open view over shallow pools to the sea.

THE OBEROI SWIMMING POOL AND BAR

Below the main hotel building, the pool and bar area are the perfect place to relax and soak up the sun.

THE OBEROI SWIMMING POOL AND BAR

A place to be enjoyed by day and by night.

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 second quarter of 2018.

LUX* TEA GARDEN

Relaxing environs suited to quiet contemplation.

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.

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, 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 before end 2016.

GOLF VILLAS DESIGN

With carefully designed elevations, each villa achieves a perfect balance between panoramic views and the privacy required from neighbors.

GOLF VILLAS SEMI-ENCLOSED COURTYARDS

Secluded secondary open-air lving space, private garden,
or water feature areas against the backdrop of the golf course.

GOLF VILLAS EASE OF ACCESS

Shaded parking links to a landscaped
formal arrival court with a discreet service area.

GOLF ESTATES

Land area 152,096 sq m
Status Under construction

The second residential community in the Fairways district, Golf Estates offers residents the choice of villas and town-houses, each arranged in a way to maxi-mize views of the golf course, lakes, and the mangroves along the creek, without ever sacrificing privacy.

Built in a distinctive architectural style that is traditional and modern, urban and pastoral, the simple lines and cubist shapes of this glitteringly-white development are designed to balance between transparency and privacy. Noble finishes, careful shading, and private dip pools further enhance the sense of exclusivity, comfort, and luxury.

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 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 high levels of comfort, service, and finish.

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 — 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.

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 multi-purpose room that can be used for private celebrations, as well as community events.

BEACH RESIDENCES VILLAS

A relaxed, luxurious outdoor lifestyle, designed to appeal as a home or a seaside retreat.

BEACH RESIDENCES 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

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.

270,350 SQM

LAND AREA

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.

Objective Development of a high-end, expatriate residential compound
Ownership 85.03%
Location Qortuba Riyadh, KSA
Land area 270,350 sq m
Total BUA 150,784 sq m residential compound and 39,731 sq m retail
Fund manager BLOMINVEST Saudi Arabia

WADI QORTUBA

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 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

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.

SITE WORK

Following excavation and grading, all concrete work for the villas and apartments have been completed and is at 70 percent completion for the Clubhouse. Mechanical, electrical, and plumbing work is 80 percent completed for villas and 50 percent for apartments, allowing finishing work to proceed. Procurement of all finishing material has been completed early in 2016 while procurement of furniture, fixture, and equipment is well under way.

The appointed consultant has checked the design of the security system and endorsed its compliance with local authority requirements and best industry practice. Implementation of the system will start soon.

Infrastructure and site grading work for all roads has been completed. The main sewer as well as potable and irrigation networks are completed, while the fire-fighting network is progressing rapidly. Installation of hardscape elements have begun while preparation for landscaping work is under way and will follow infrastructure installation. The sourcing and procurement of trees and other plants are in progress and the first shipment has arrived in Riyadh. The construction of the boundary wall has begun on the eastern side of the site. Villas and apartments will be progressively completed by the second quarter of 2016.

WADI QORTUBA CONSTRUCTION

The Wadi transversal water feature will run through the center of the compound.

WADI QORTUBA CONSTRUCTION

The heart of the Wadi, which will connect to neighborhood parks and the clubhouse through a series of pedestrian walkways.

WADI QORTUBA CONSTRUCTION

Semi-detached villas and townhouses, organized
in community-oriented clusters are under finishing.

WADI QORTUBA CONSTRUCTION

At the center of the transversal park, the Clubhouse adheres to the highest standards in sports facilities.

THE MASTER PLAN

Company Solidere Qortuba
Urban design and development
Solidere International
Land area 270,350 sq m

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.

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 or the Wadi. Internally, they are characterized by large and airy living areas and come in iterations of three or four bedrooms, in addition to one multipurpose room.

SEMI-DETACHED VILLAS AND TOWNHOUSES

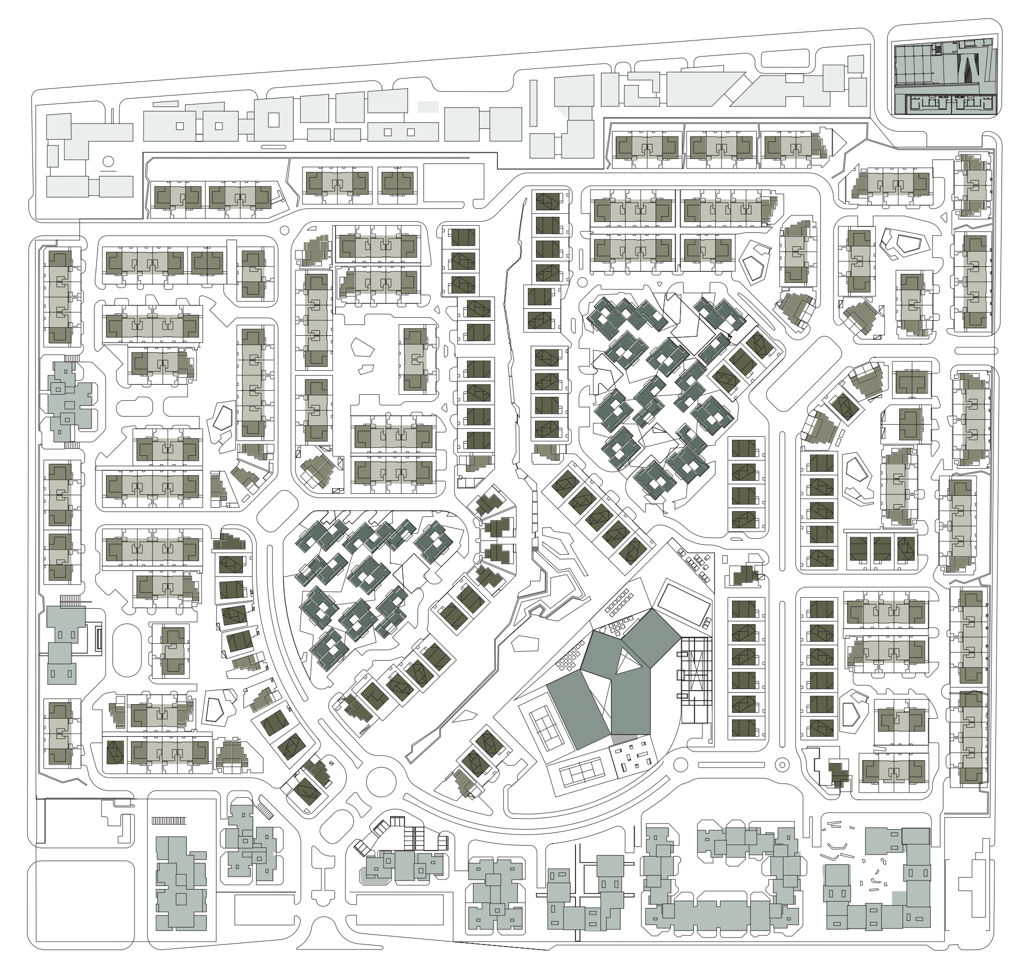
Organized in community-oriented, pedestrian-friendly clusters, the three-bedroom semi-detached villas with an additional multipurpose room and three-bedroom townhouses are arranged around a communal park at the center of each neighborhood, adjacent to a children's playground and community pool. Clusters are connected to the Wadi and Clubhouse by the Wadi Walk.

COURTYARD HOUSES

This typology features an internal courtyard, which serves as the heart of the home. Courtyard houses benefit from this distinct indoor layout, which floods interiors with natural lighting, while preserving a sense of intimacy and privacy.

APARTMENT BUILDINGS

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



WADI QORTUBA MASTER PLAN

Blending a variety of modern housing typologies, Wadi Qortuba accommodates different expatriate lifestyles within a varied landscaped environment that encourages outdoor activity.

LANDSCAPE SCHEME AND AMENITIES

LANDSCAPE SCHEME

The well-considered, detailed landscaping of Wadi Qortuba is a key component of the master plan and lends the development a varied environment that encourages outdoor activity. While some housing typologies come with individual gardens, others make use of shared courtyards and gardens. All typologies have access to the Wadi and the Wadi Walk.

A contemporary urban interpretation of an oasis, the Wadi is a water feature flanked by greenery that runs through the center of the compound from the main entrance, creating a distinctive topography. The Wadi Walk, a four-kilometer series of pedestrian pathways, connects the Wadi to neighborhood parks, pools, and the Clubhouse and creates a varied landscape for the enjoyment of walkers, joggers, and cyclists.

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.

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

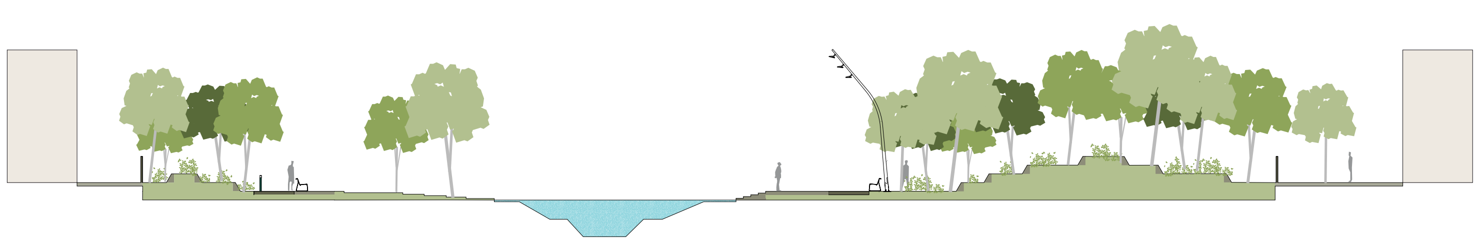
At the northern corner of the compound, outside the peripheral wall, a mosque complex hosts male and female prayer halls.

COMMUNITY CENTER

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

With a leasable area of 25,000 square meters, this mixed-use center offers retailers a captive market of more than 3,000 compound residents in addition to an immediate catchment area of more than 10,000 expatriates.

The Community Center includes a family entertainment center, fine and casual dining, specialty retail, offices, clinics, and a training institute. To further enhance the visitor's experience, the design integrates wide landscaped sidewalks, pocket parks, and an underground parking.



WADI QORTUBA THE WADI

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

WADI QORTUBA 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.

WADI QORTUBA APARTMENT BUILDINGS

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

WADI QORTUBA COURTYARD HOUSES

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

WADI QORTUBA HOUSING TYPOLOGIES

The compound addresses Riyadh's rising profile and attracts a diverse mix of expatriates, from executives and their families seeking detached villas to young professionals looking for smaller apartments.

WADI QORTUBA THE CLUBHOUSE

The first-class Clubhouse, with distinguished modern architecture, features several recreational and sport facilities.

5,295 SQM

LAND AREA

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

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

GOLDEN TOWER

GOLDEN TOWER

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

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

Developer Solidere International
Completion end of 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.

MAIN ENTRANCE

An exclusive drop-off area adorned with stunning water features leads to the tower's main entrance.

DEVELOPMENT

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.

Golden Tower will introduce new standards of living that are certain to be felt throughout the Kingdom's real estate market. All forty eight levels of Golden Tower have been constructed and work is proceeding on architectural masonry and plastering, while mechanical, electrical, and plumbing work has reached the forty third level. Twenty eight units have already been sold and several new transactions are in the pipeline.

MODERN INTERIOR

Penthouse reception.

RAYAT OBHUR

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

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

1,000,000 SQM

LAND AREA

RAYAT OBHUR

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 investment in 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 operates 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 four years from inception.

THE SITE

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 MASTER PLAN

Developer Solidere International
Land area 500,000 sq m (the two quadrants owned by the Fund)

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.

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 summer 2016. 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 health care, 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.

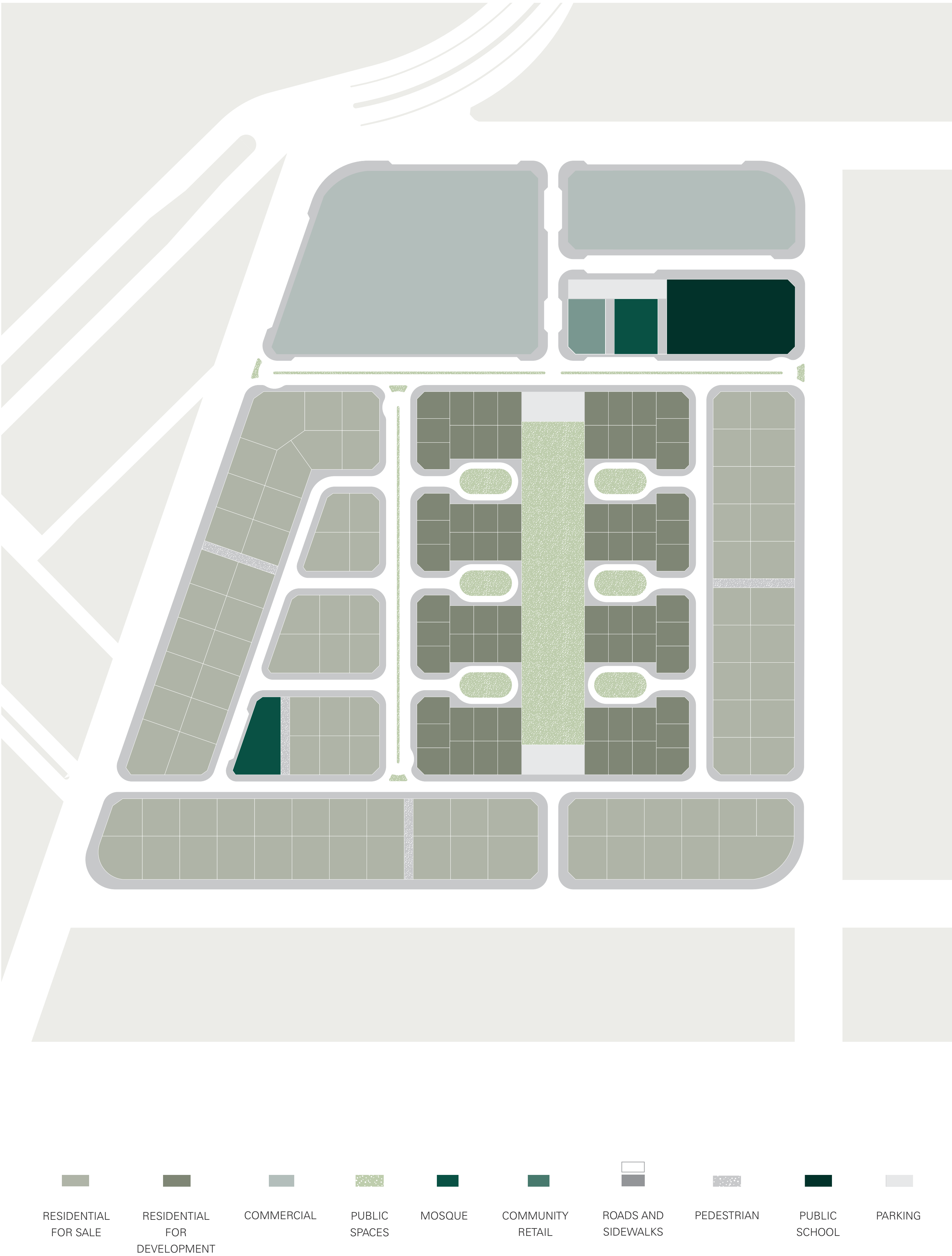
186,119 SQM

LAND AREA

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

Objective Investment and land development **Ownership** 56.4% **Location** North of Obhur, Jeddah, KSA **Land area** 186,119 sq m **Fund manager** BLOMINVEST Saudi Arabia

TILAL OBHUR



TILAL OBHUR

Located in the heart of the rapidly developing district of Obhur, in northern Jeddah, the Tilal Obhur development is a contemporary, upscale and lushly landscaped residential neighborhood, positioned exclusively for Saudi clientele. The development is owned by a SAR250 million Fund that is regulated by the Saudi Capital Market Authority and which operates under the Authority's Investment Fund Regulations. Solidere International holds a 56.4 percent stake in the Fund.

Tilal Obhur is conceived around a forward-thinking master plan with a higher level of sensitivity in urban design compared to the majority of land subdivision projects in the Kingdom. The generosity of its landscaping and public spaces raises the quality of life for residents and creates the spirit of a neighborhood to match the social aspirations of the young clientele targeted by the project. At the same time, an awareness of cultural norms and sensitivities ensures that tranquility and privacy are preserved- all considerations of paramount importance to homebuyers. The residential component of the development is supported by a commercial strip and retail anchor, two mosques, a school, and a community retail block.

Responsible for master planning and development, Solidere International has optimized the balance between the development's public and private domains, allocating 60 percent of the 186,119 square-meter area to the private domain and the remaining 40 percent to the public domain.

THE SITE

The site is located in Al Lulu District in North Obhur, and is directly accessible from Jeddah's seafront corniche. It is approximately 1.5 kilometers north of Prince Abdulmajeed Road.

The evolution of the site mirrors the transformation that has shaped Obhur over recent years. As the northern part of the Obhur Creek witnesses further urbanization, anchored by key developments that include educational and healthcare facilities in addition to the forthcoming Kingdom Tower, the area has become a destination of choice to the local community reaching out for a distinctive lifestyle with prospects of home ownership.

THE MASTER PLAN

Urban design and development Solidere International **Land area** 186,119 sq m
Private Domain 60% (113,060 sq m)
of which 25% (46,542 sq m) residential neighborhood for development
Public domain 40% (73,059 sq m)

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. Fifty meters in depth, the external layer functions as a protective belt around the central residential core, maximizing security and privacy, while simultaneously ensuring that residents don't feel cut-off from the wider surroundings.

A loop road separates the two layers, enhancing the role the external layer plays as a buffer zone. This road connects the community with Obhur's Corniche and an already existing road to the south. Eight clusters of detached villas cater to the residents of the core community, organized around a landscaped open-ended cul-de-sac that behaves as a piazza, prevents through traffic and slows car movement to and from dwellings, and provides direct pedestrian access to the shared central park as well as to the clusters of villas on the other side of the park.

The landscaping of this linear park, the shaded walkways, islands, and planted verges, softens and beautifies the neighborhood and creates a local microclimate that ensures it remains pleasant for most of the year. The park, which ends with a public parking pocket at each end, 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.

Necessary approvals have been obtained, with infrastructure works expected to be complete by the end of 2016.

COMPONENTS

Tilal Obhur's approved master plan divides the internal residential component into eight blocks of two typologies (L-Shaped and T-Shaped). Each block comprises four plot typologies and four villa typologies.

The scheme for the central park blends landscaped gardens with mineral squares and shaded walkways, with a green buffer zone between the residences and the park.

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 north-eastern and south-western corners, community retail units, a school, 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. The land should be ready for development by December 2016.

TILAL OBHUR CENTRAL PARK

Mineral squares, landscaped gardens, and shaded walkways make up Tilal Obhur's central community park.

MALQAY DEVELOPMENT

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

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

1,000,000 SQM

LAND AREA

MALQAY DEVELOPMENT

In partnership with a major Saudi conglomerate, Solidere International invested in a real estate Fund to acquire a one million square-meter parcel of land in Al Malga, an emerging residential district in the northwestern corner of Riyadh. 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.

Regulated by the Saudi Capital Market Authority, the SAR1.25 billion Fund, of which Solidere International holds a 50 percent stake, operates under the Investment Fund Regulations. The Company has been assigned by the Fund manager 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.

A contemporary residential development in the city but with a community feel, the Malqay 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 site. 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.

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 Bin 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.

DEVELOPMENT

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 Malqay'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, expected to be complete by end 2016, presents a value-creation cycle that allows for land sales, development activities, and long-term revenue generation, through managed facilities.

THE MASTER PLAN

Urban design and development Solidere International **Land area** 1,000,000 sq m

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 Al Awwal and Anas Bin 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 form 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. The site enjoys state-of-the-art underground utilities and is well equipped for the seasonal heavy rain by a state of the art storm drainage network.

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 two adjoining 60-meter arterial roads.

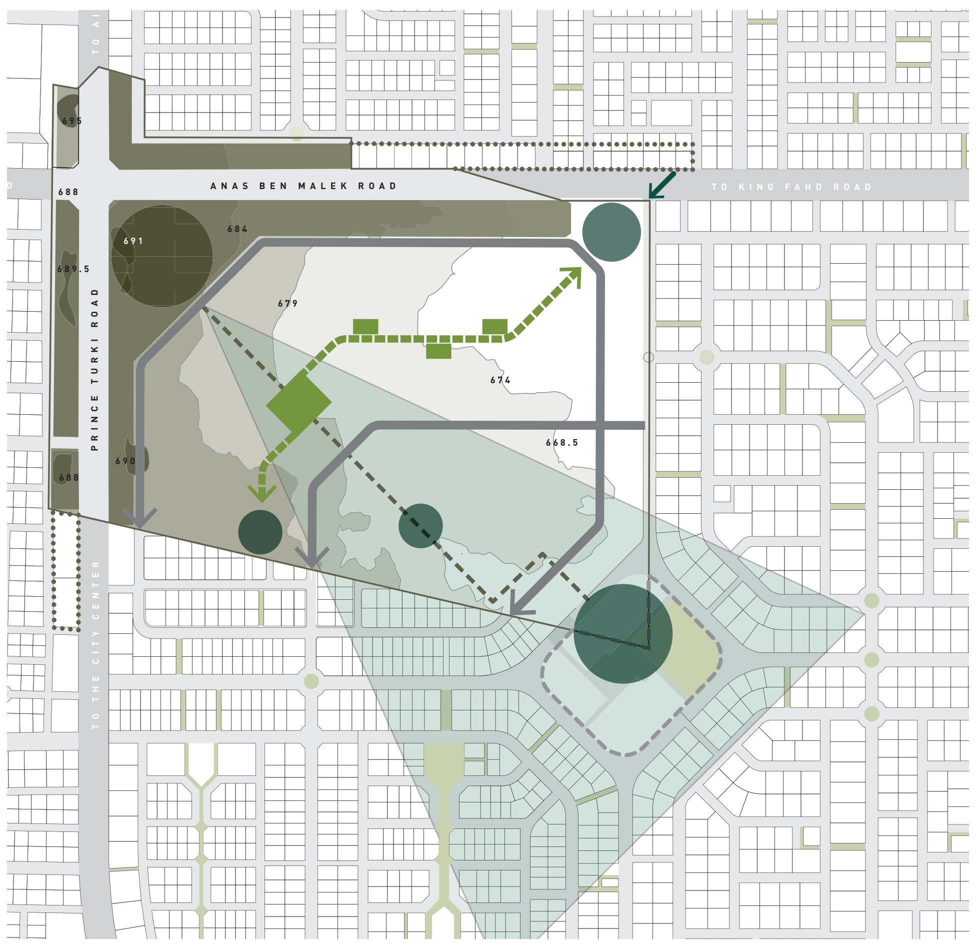
COMPONENTS

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.

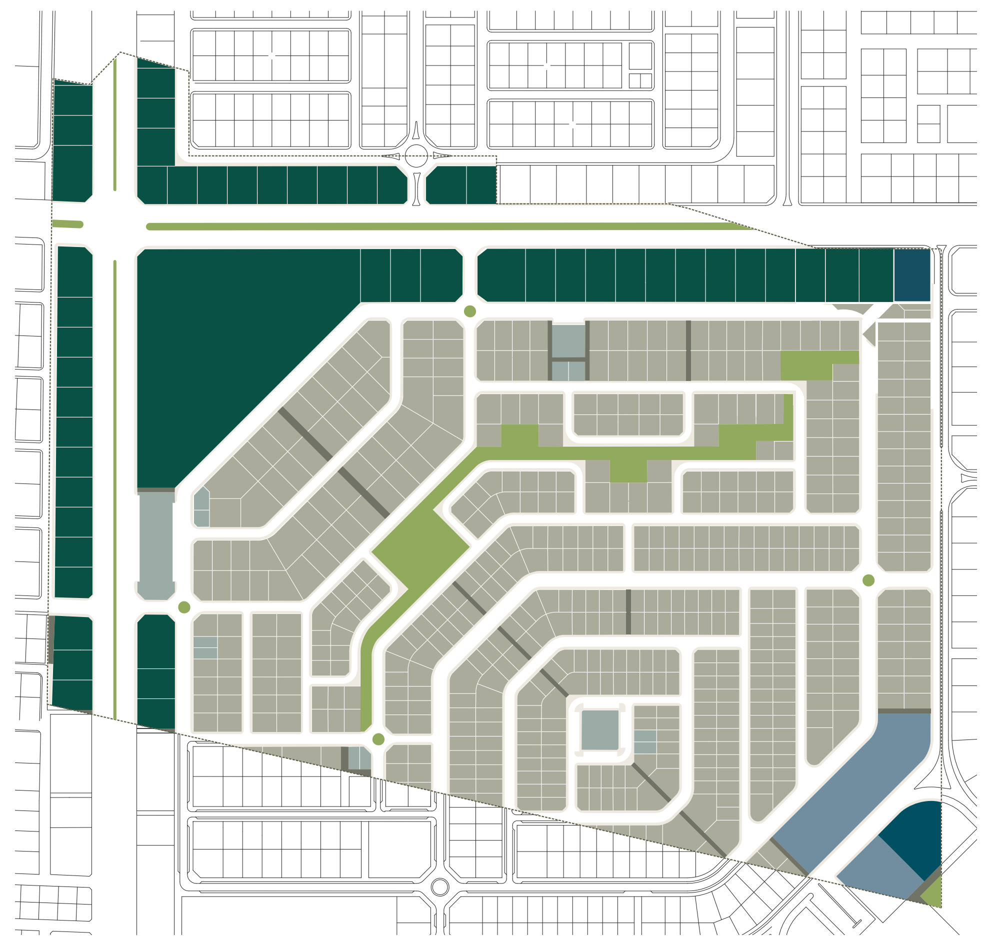
Of the private land, 33 percent is zoned for commercial use and 67 percent for residential use. After it is equipped with a world-class infrastructure, the land will be parceled and sold to third parties, who are expected to build in accordance with the recommended development guidelines prepared by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



SITE TOPOGRAPHY — MANDATORY ROAD — GREEN PEDESTRIAN CONNECTION
COMMERCIAL STRIP — CENTRAL PARK — PUBLIC ANCHORS
ADJACENT COMMERCIAL STRIP — ADJACENT AMENITIES APPROVED BY AMANA
MAIN ADDRESS OT THE DEVELOPMENT — VIEW TOWARD KING ABDULLAH FINANCIAL DISTRICT



COMMERCIAL — RESIDENTIAL — PEDESTRIAN — PUBLIC GARDENS — MOSQUES
MUNICIPAL FACILITY — PUBLIC SCHOOLS

14,811 SQM

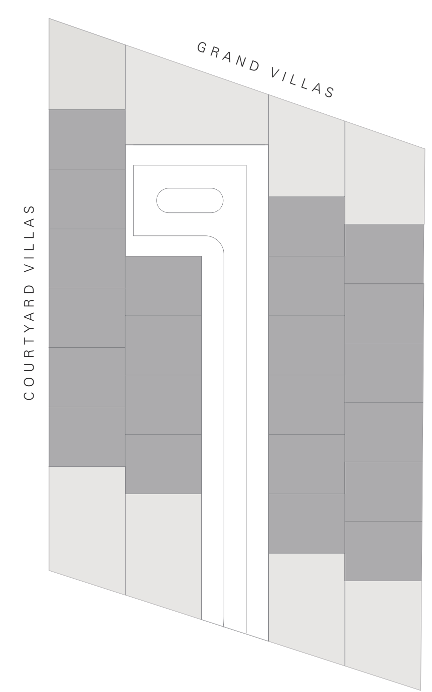
LAND AREA

AN EXCLUSIVE, DISTINCTIVE RESIDENTIAL DEVELOPMENT WITH CONTEMPORARY MODULAR DESIGN AND GENEROUS PUBLIC SPACE THAT AIMS TO SET NEW STANDARDS FOR COMMUNITY LIVING IN RIYADH.

Objective Development of an exclusive residential community
Ownership 57% joint venture with landowner
Location Hittin, Riyadh, KSA
Land area 14,811 sq m

PARK LANE

PARK LANE



Park Lane is an exclusive residential development of 30 detached villas within a private community in the upscale district of Hittin, in Riyadh. The development targets young Saudi executives seeking affordable modern luxury in an area that accommodates the large homes of the upper class. The development distinguishes itself through the use of contemporary modular design that promotes comfort, privacy and interior layout flexibility around a cul-de-sac (no-through road) forming a generous public space.

Solidere International is undertaking the planning and real estate development of the project. In return for the land, it will deliver a number of completed villas to the original landowner. The Company will sell the remaining units.

THE SITE

The development is located in the upscale neighborhood of Hittin, where land plots are generally large and occupied by palaces and their grounds. The area is served by a road network formed of the Northern Ring Road, King Khaled Road, Prince Saud Bin Mohamad Bin Muqrin Road, and Prince Turki Road. It is a short distance from the city's main destinations, including the King Abdullah Financial District, commercial centers, and educational institutions.

THE MASTER PLAN

Park Lane transforms one of the prime residential plots of land in Hittin and models it into 30 independent villas in a private cul-de-sac community. A linear park, which gives the development its name, provides private access to all residences off the main road, prohibiting through traffic and promoting pedestrian activity through the encouragement of slow vehicle movement. The lane ends in a landscaped square piazza.

The concept blends master planning and architecture in a two-way design process that challenges the monotony of the city's conventional formation and introduces courtyard villas in a staggered layout. This layout provides each home with a view corridor overlooking the public landscaped lane and no visibility from neighboring homes, hence maintaining privacy.

To maximize use of space, the external enclosure of each villa forms a continuous part of the architecture and allows three ascending layers of landscaping that integrate the main entrance porch and an enclosed two-car parking space. The architecture reflects a modern interpretation of the Arab home through its incorporation of a central light well, wind tower, and court. The interior of each home comprises all the components required for a comfortable life and utilizes folding panels that offer flexible floor plates between the different living areas.

COMPONENTS

All the villas comprise a *majlis* and side *majlis* (the latter can be used as office or family living area), dining and reception areas, en suite bedrooms, a pool, and a landscaped rooftop terrace. Four of the corner houses also have a *diwaniyah*, a majlis that is detached from the main home.

DEVELOPMENT

Following finalization of the master plan and architectural designs, a building permit has been submitted and awaits approval. The Company is now selling villas based on the plan.

PARK LANE PRIVATE ACCESS ROAD

A linear park, which gives the development its name, provides private access to all residences off the main road prohibiting through traffic and thus maintaining a calm and protected environment.

PARK LANE ARCHITECTURE

Villas reflect a modern interpretation of the Arab home with a central light well, wind tower, and court.

PARK LANE COURTYARD VILLAS

An internal court and folding panels offer flexibility of use between the different living areas.

MUZAHIMIYAH AVENUE

Objective Development of a retail strip **Ownership** 100% **Location** Muzahimiyah Riyadh, KSA **Land area** 12,150 sq m

A RETAIL DEVELOPMENT WITH A UNIQUE AND SPECIAL IDENTITY THAT CAPITALIZES ON AN IDENTIFIED OPPORTUNITY IN AN UP-AND-COMING DISTRICT OF RIYADH.

12,150 SQM

LAND AREA

MUZAHIMIYAH AVENUE

Land area 12,150 sq m
Leasable area 5,700 sq m
Completion 2017

Muzahimiyah Avenue is one of the first commercial developments that Solidere International has launched in Saudi Arabia. Capitalizing on the underserved satellite cities across the Kingdom, an opportunity in the city of Muzahimiyah — 40 kilometers southwest of Riyadh along the highway that connects the eastern and western provinces — was identified.

The government's clear commitment to decentralize Riyadh has been endorsed through investments in Muzahimiyah's infrastructure and the recently established King Saud University — large enough to accommodate up to 3,000 students.

Located in the Nawara district along the Jeddah-Mecca highway, 350 meters after the service-road entry point, Muzahimiyah Avenue comprises family entertainment, food and beverage, and specialty retail outlets. Despite the relatively moderate density around the site, several large retailers have picked up on the area's accelerating urbanization rate and have chosen to monetize this growth through developing outlets in proximity to the site. Muzahimiyah Avenue aims to provide the area's residents with a commercial development that is the first of its kind in terms of design, quality, and offering.

The retail development has a unique identity symbolized by the repetition of a double-height modular volume that allows flexibility in the use of space. The volumes provide a play of facade through the use of two-tone render and wood screens to achieve a variety of scale and a modern village spirit across the development.
A transparent ground floor provides clear and identifiable individual shopfronts and entrances along the street, while allowing for easy connectivity and accessibility between indoor and outdoor spaces.

MUZAHIMIYAH AVENUE DESIGN

A modern village spirit with easy connectivity
and accessibility between indoor and outdoor spaces.

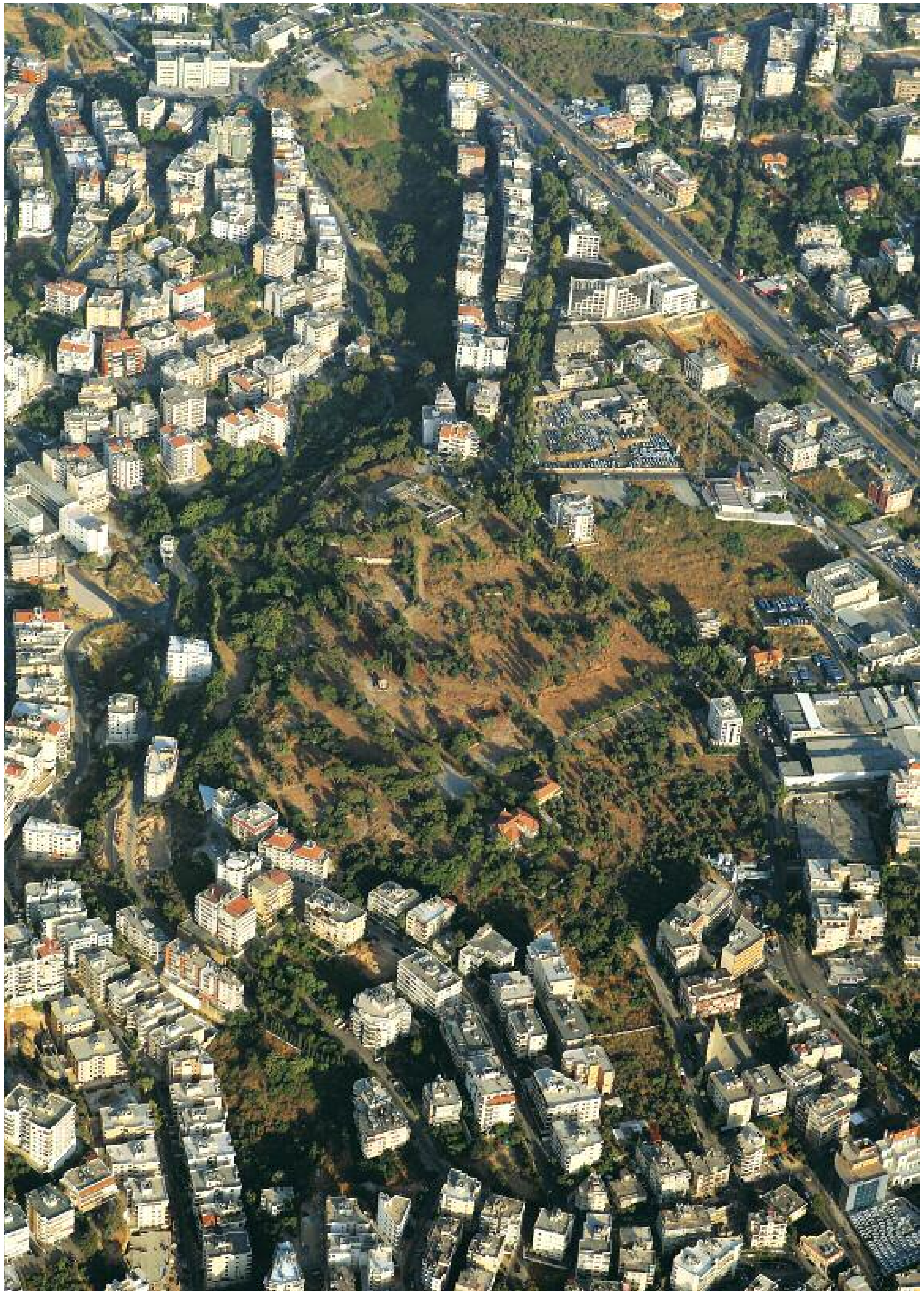
90,921 SQM

LAND AREA

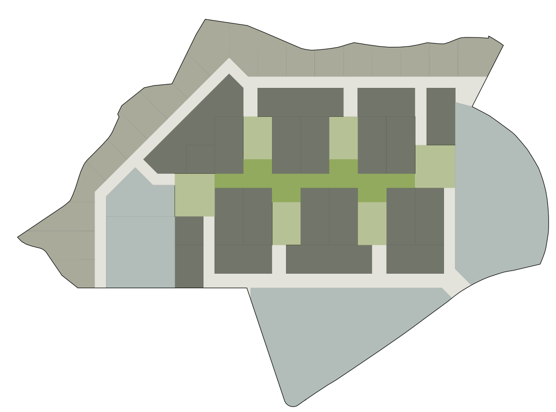
A WELL-STUDIED, PHASED MASTER PLAN FOCUSED ON THE CREATION OF AN INSPIRING ENVIRONMENT WITHIN A HARMONIOUS URBAN COMMUNITY.

Objective Land and community development
Ownership Interests and rights totaling 35% of the project **Location** Hazmieh, Lebanon
Land area 90,921 sq m
(in addition to 15,826 sq m of land for sale)

UPTOWN PARK



UPTOWN PARK



■ CENTRAL NEIGHBORHOOD ■ MAIN STREET BLOCKS
■ PERIPHERAL PLOTS ■ LINEAR PARK ■ SQUARES

In 2010, Solidere International entered into a joint venture with the National Company for Real Estate Projects SAL (NCREP), the landowner of a lightly forested site overlooking Beirut and the Mediterranean in Hazmieh, a rapidly growing suburb of Beirut.

The relationship is governed by a Professional Services Agreement (PSA), which covers the delivery of services pertaining to real estate development and construction 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.

Initially, Solidere International had envisioned a high-value, residential project with a commercial neighborhood center, preserving much of the wooded site and repurposing an existing heritage structure.

In 2015, a revised development strategy repositioned the project through a phased development scheme that would diversify the risks by introducing third-party developers. A new master plan was conceived with the objective of maintaining a central linear park and several pocket parks that offer privacy, security, and optimized sea views for most of the residential units. Solidere International devised a flexible exit strategy that balances development and land sales to competent developers while preserving a harmonious urban community.

THE SITE

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.

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 many 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 an elevated 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.

COMPONENTS

Linear Park – A portion of the natural terrain and its mature trees are preserved at the center of the site to form a linear park that extends sideways into squares and piazzas. This park, with ample seating and play areas, is designed for outdoor relaxation.

Central Neighborhood – Planned with modular and flexible plot typologies that are suitable for various market conditions, the residential clusters are dispersed around the squares and piazzas of the linear park to form a village-like urban fabric. Each cluster is accessed through a no-through road (cul-de-sac) to ensure a calm and secure environment.

Main Street Blocks – These are clusters of plots on the main roads and around an existing heritage house. As they are away from the central park and are located south and southwest of the site, these plots have the potential of being merged into three blocks for larger-scale developments.

Peripheral Plots – Located at the northern edge of the site, peripheral plots are perched atop a slope and thus avail of open views toward Beirut, the Mediterranean Sea and the mountains beyond.

THE CONCEPT

Owner NCREP
Urban design and development
Solidere International
Infrastructure Dar Al Handasah
and Solidere International
Land area 90,921 sq m

The new concept makes the most of the site's prime geographic and topographic location as it retains a central landscaped park and subdivides usable land into 90 plots of 625 square meters each, for optimal residential land use. An internal road network is carefully buffered from the main road in order to preserve the serenity of the site.

In response to current market conditions, the plan heightens flexibility to developers through the possibility of merging and subdividing plots in modular combinations that allow greater value for larger-scale developments. The master plan allows for multiple exit strategies though land sales and development.

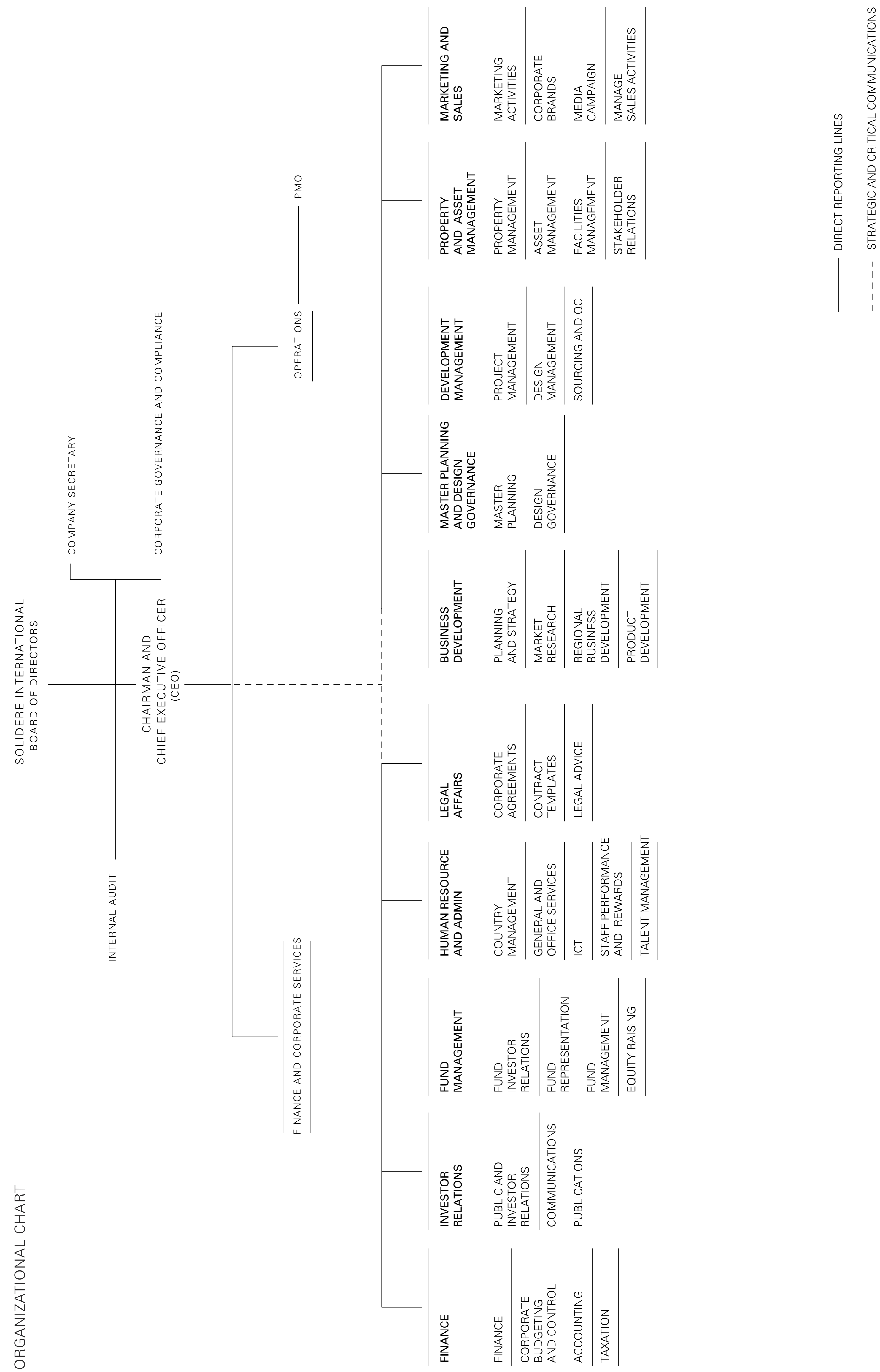
A unified scheme with development guidelines has been put in place to add value to the community and preserve the harmony among plots that will be developed by Solidere International or third parties.

CORPORATE REPORT

THE YEAR 2015 WAS ONE OF MARKED PROGRESS IN TERMS OF FINANCIAL AND OPERATIONAL PERFORMANCE WITH A FORECASTED TREND OF SUSTAINABLE GROWTH FOR YEARS TO COME. THE REPORTED CONSOLIDATED INCOME, TOTAL EQUITY, AND RETAINED EARNINGS INCREASED SUBSTANTIALLY WHILE OVERHEADS DECREASED AND DEBT WAS MAINTAINED AT A LOW LEVEL.

CORPORATE STRUCTURE

ORGANIZATIONAL CHART



BOARD OF DIRECTORS AND GENERAL MANAGEMENT

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

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Dubai, United Arab Emirates
March 23, 2016

To the Shareholders of Solidere International Limited

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 2015 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 2015 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

The attached notes 1 to 26 form an integral part of these consolidated financial statements.

FOR THE YEAR ENDED 31 DECEMBER 2015	Notes	**2015** US$	2014 US$
Revenue	4	9,461,114	10,503,464
Cost of revenue	4	(5,132,904)	(6,418,991)
Gross Profit		**4,328,210**	**4,084,473**
Administrative expenses	7	(12,481,228)	(12,818,955)
Gain on sale of development properties	13	-	9,721,860
Net gain from funds designated at fair value through profit or loss	15	66,373,867	54,174,916
Gain on disposal of a subsidiary	13	-	1,992,855
Collective impairment of receivables	16	(6,000,000)	(2,000,000)
Other income (expense) – net	8	505,556	(5,500,681)
Finance income	9	3,025,586	4,398,761
Finance costs	9	(2,222,885)	(1,607,646)
Share of results of associates	14	8,652,881	14,702,376
Profit For The Year Before Tax		**62,181,987**	**67,147,959**
Income tax benefit	10	-	2,216
Profit For The Year		**62,181,987**	**67,150,175**
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Foreign currency translation		(313,446)	150,961
Total Comprehensive Income For The Year		**61,868,541**	**67,301,136**
Total profit for the year attributable to:			
Equity holders of the Company		60,576,348	64,295,407
Non-controlling interests		1,605,639	2,854,768
		62,181,987	**67,150,175**
Total comprehensive income attributable to:			
Equity holders of the Company		60,262,902	64,446,368
Non-controlling interests		1,605,639	2,854,768
		61,868,541	**67,301,136**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The attached notes 1 to 26 form an integral part of these consolidated financial statements

AT 31 DECEMBER 2015	Notes	**2015** US$	2014 US$
ASSETS			
Non-current assets			
Property, plant and equipment	11	6,320,442	6,591,316
Intangible asset	12	9,589	-
Development properties	13	5,679,183	5,679,183
Investments in associates	14	392,152,692	372,402,925
Investments in funds designated at fair value through profit or loss (FVTPL)	15	538,564,466	476,590,599
Loans to an associate – non-current portion	14	33,569,512	33,569,512
		976,295,884	894,833,535
Current assets			
Accounts receivable and other debit balances	16	20,554,849	25,666,930
Inventory		-	91,957
Loans to an associate – current portion	14	17,100,000	17,100,000
Bank balances and cash	17	35,596,942	50,803,046
		73,251,791	93,661,933
Total Assets		**1,049,547,675**	**988,495,468**
EQUITY AND LIABILITIES			
Equity			
Share capital	18	550,000	550,000
Share premium	18	688,745,575	688,745,575
Employees' stock option plan reserve	21	5,844,300	5,844,300
Foreign currency translation reserve	18	(1,128,687)	(815,241)
Retained earnings		246,065,261	185,488,913
		940,076,449	879,813,547
Non-controlling interests		62,462,808	60,857,169
Total equity		1,002,539,257	940,670,716
Non-current liabilities			
Bank loan – non-current portion	19	22,900,000	22,900,000
Employees' end-of-service benefits	20	2,416,432	1,742,727
		25,316,432	24,642,727
Current liabilities			
Bank loan – current portion	19	17,100,000	17,100,000
Accounts payable and accruals	22	4,591,986	6,082,025
		21,691,986	23,182,025
Total liabilities		47,008,418	47,824,752
Total Equity And Liabilities		**1,049,547,675**	**988,495,468**

The consolidated financial statements were approved by the Board of Directors on 21 February 2016

CONSOLIDATED STATEMENT OF CASH FLOWS

The attached notes 1 to 26 form an integral part of these consolidated financial statements.

YEAR ENDED DECEMBER 31, 2015	Notes	2015 US$	2014 US$
OPERATING ACTIVITIES			
Profit for the year before tax		62,181,987	67,147,959
Adjustments for:			
Depreciation and amortization	11&12	1,018,371	723,351
Realised gain from transactions with an associate	14	(1,750,655)	(2,287,702)
Share of results of associates	14	(8,652,881)	(14,702,376)
Change in fair value of investments in funds designated at FVTPL	15	(66,373,867)	(54,174,916)
Gain on sale of development properties	13	-	(9,721,860)
Collective impairment of receivables	16	6,000,000	2,000,000
Write back of other provisions	8	-	(85,510)
Provision for impairment in assets	8	-	3,652,804
Provision for employees' end-of-service benefits	20	810,507	905,453
(Gain) loss on sale of equipment		(178,169)	1,043
Finance income	9	(3,025,586)	(4,398,761)
Finance costs	9	2,222,885	1,607,646
		(7,747,408)	(9,332,869)
WORKING CAPITAL CHANGES			
Accounts receivable and other debit balances		619,407	711,808
Inventory		91,957	(24,599)
Accounts payable and accruals		(1,492,852)	(1,241,876)
Settlement of employees' end-of-service benefits	20	(136,802)	(432,495)
Net cash flows used in operating activities		(8,665,698)	(10,320,031)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible asset	11&12	(830,886)	(1,949,913)
Investments in funds designated at FVTPL		-	(173,148,051)
Proceeds from sale of units in funds designated at FVTPL		4,400,000	-
Loans to an associate		-	(28,592,618)
Investment in an associate	14	(10,666,667)	-
Proceeds from disposal of plant and equipment		251,974	650
Changes in development properties		-	107,113,795
Dividends received from an associate	14	1,373,750	4,856,886
Interest received		1,518,260	3,701,264
Net cash flows used in investing activities		(3,953,569)	(88,017,987)
FINANCING ACTIVITIES			
Proceeds from bank loan		-	25,000,000
Capital repurchase from a minority shareholder		-	(750,000)
Interest paid		(2,220,072)	(1,821,408)
Net cash flows (used in) from financing activities		(2,220,072)	22,428,592
Decrease in cash and cash equivalents		(14,839,339)	(75,909,426)
Net foreign exchange differences		(366,765)	157,061
Cash and cash equivalents at 1 January		50,803,046	126,555,411
Cash and cash equivalents at 31 December	17	**35,596,942**	**50,803,046**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The attached notes 1 to 26 form an integral part of these consolidated financial statements.

	2015							
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
YEAR ENDED DECEMBER 31, 2015	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$
Balance at 1 January 2015	550,000	688,745,575	5,844,300	(815,241)	185,488,913	879,813,547	60,857,169	940,670,716
Profit for the year	-	-	-	-	60,576,348	60,576,348	1,605,639	62,181,987
Other comprehensive loss	-	-	-	(313,446)	-	(313,446)	-	(313,446)
Total comprehensive income for the year	-	-	-	(313,446)	60,576,348	60,262,902	1,605,639	61,868,541
Balance at 31 December 2015	**550,000**	**688,745,575**	**5,844,300**	**(1,128,687)**	**246,065,261**	**940,076,449**	**62,462,808**	**1,002,539,257**

	2014							
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
YEAR ENDED DECEMBER 31, 2014	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$
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
Profit for the year	-	-	-	-	64,295,407	64,295,407	2,854,768	67,150,175
Other comprehensive gain	-	-	-	150,961	-	150,961	-	150,961
Total comprehensive income for the year	-	-	-	150,961	64,295,407	64,446,368	2,854,768	67,301,136
Capital repurchase of a subsidiary	-	-	-	-	-	-	(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2015

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 20, Index Tower, Unit 2003, Sheikh Zayed Road, PO Box 506640, Dubai, United Arab Emirates.

The Company is 37.19% owned by Solidere International Holdings SAL (the"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.

02 BASIS OF PREPARATION

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 in funds designated 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 CONSOLIDATION

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 Company'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 **2015**	OWNERSHIP 2014
SI Al Zorah Equity Investment, Inc (share capital of US$ 256.7 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 40 million)		Real estate development	Egypt	100%	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$1)		Real estate management	Cayman Islands	100%	100%
Solidere Saudi Arabia (a Saudi joint stock Company) (share capital of SAR 30 million)		Real estate development	Saudi Arabia	100%	100%
SI Garden City Limited (share capital of US$ 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 of 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 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.

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 is 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 recognised 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 recognised 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 of 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, loans to an associate, accounts receivable and other debit balances and investment in funds 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 2015 and 2014.

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 2015 and 2014.

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 Major shareholder. 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 2014 except for the adoption of amended standards and interpretations effective as of 1 January 2015, noted below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014.

Annual Improvements 2010-2012 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. They include:

IFRS 2 Share-based Payment
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9.

IFRS 8 Operating Segments
The amendments are applied retrospectively and clarify that:
- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures
The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements. They include:

IFRS 3 Business Combinations
The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39 or IFRS 9.

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination.

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

2.5 NEW AND REVISED IFRS IN ISSUE BUT NOT YET EFFECTIVE

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

NEW AND REVISED IFRSs	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative	January 1, 2016
Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations	January 1, 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating amoritsation to clarification of acceptable methods of depreciation and amortisation.	January 1, 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants	January 1, 2016
Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements	January 1, 2016
Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities	January 1, 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	January 1, 2016
IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments. A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: • Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. • Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised. • Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. • Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.	January 1, 2018
Amendments to IFRS 7 *Financial Instruments:* Disclosures relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied

NEW AND REVISED IFRSs	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
IFRS 15 *Revenue from Contracts with Customers*	January 1, 2018
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely
IFRS 16 *Leases*	January 1, 2019
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	

Except for IFRS 9, the adoption of the above amendments (where applicable) will not have a significant impact on the Group's consolidated 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 recognised 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, 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 Group 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)

2015

	REVENUE US$	COST OF REVENUE US$	GROSS PROFITT US$
Rendering of services (note 6)	6,860,459	(5,132,904)	1,727,555
Commission income (note 5)	1,750,655	-	1,750,655
Management fees (note 23)	850,000	-	850,000
	9,461,114	**(5,132,904)**	**4,328,210**

2014

	REVENUE US$	COST OF REVENUE US$	GROSS PROFITT 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 (note 5)	2,287,702	-	2,287,702
Management fees (note 23)	1,503,741	-	1,503,741
	10,503,464	**(6,418,991)**	**4,084,473**

05 COMMISSION INCOME - NET

	2015 US$	2014 US$
Net realized commission income from an associate (note 4 & 14)	**1,750,655**	2,287,702

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 Group 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 2015	BILLINGS US$	CHARGES BY A RELATED PARTY US$	COSTS INCURRED US$	TOTAL COSTS US$	GROSS PROFIT US$
United Arab Emirates	1,066,121	(478,864)	(587,257)	(1,066,121)	-
Saudi Arabia	5,674,515	(301,055)	(3,676,163)	(3,977,218)	1,697,297
Lebanon	119,823	(89,565)	-	(89,565)	30,258
	6,860,459	**(869,484)**	**(4,263,420)**	**(5,132,904)**	**1,727,555**

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**

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 2015 amounted to US$ 1,066,121 (2014: US$ 1,727,128) (note 23).

The breakdown of revenues earned from development and other services rendered in Saudi Arabia are detailed as follows:

	2015 US$	2014 US$
Blom Solidere Compound Real Estate Fund (note 15 (d))	3,427,376	-
Solidere BLOM Real Estate Fund III (note 15 (c))	815,613	-
BLOM Solidere Real Estate Fund (note 15 (b))	224,832	903,581
Golden Tower LLC (an associate) (note 23)	417,500	1,680,000
MED-SI Real Estate Development Fund II (note 15 (a))	170,000	2,133,290
Other projects	619,194	124,524
	5,674,515	**4,841,395**

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

	2015 US$	2014 US$
Salaries, allowances and related charges	4,116,457	4,325,108
Professional fees from a related party (note 23)	869,484	730,102
Consultancy and professional fees	-	488,739
Travel and related charges	88,886	294,496
Exhibitions and brochures	58,077	224,534
Other administrative expenses	-	284,458
	5,132,904	**6,347,437**

Charges by a related party amounting to US$ 869,484 (2014: US$ 730,102) 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

	2015 US$	2014 US$
Salaries, allowances and related charges	8,752,294	8,871,220
Rent – operating lease	529,437	757,149
Depreciation and amortization expense (notes 11 & 12)	1,018,371	723,351
Consultancy, legal and professional fees	627,298	653,409
Travel and related charges	422,599	608,050
Office and computer supplies	287,282	240,882
Telephone and communication	286,518	232,806
Professional fees charged by a related party (note 23)	45,000	196,513
Legal and judicial fees	25,841	147,092
Advertising and film production	175,764	58,667
Other expenses	310,824	329,816
	12,481,228	**12,818,955**

08 OTHER INCOME (EXPENSE) - NET

	2015 US$	2014 US$
Other provisions written back	-	85,510
Miscellaneous income (expense), net	187,886	(268,911)
Provision for impairment in assets (*)	-	(3,652,804)
Net foreign exchange gain (loss)	317,670	(1,664,476)
	505,556	**(5,500,681)**

(*) Provision for impairment in assets represents provision booked by the Group in 2014 on its manufacturing operations in the Kingdom of Saudi Arabia and is mainly included under property, plant and equipment.

09 FINANCE INCOME / (COSTS)

	2015 US$	2014 US$
Finance income:		
Interest income on short-term bank deposits	1,494,784	3,358,160
Interest income on loans to an associate (notes 14(b) and 23)	1,530,802	1,040,601
Finance income	**3,025,586**	**4,398,761**
Finance costs:		
Interest expense on loan and other interest expense	(2,222,885)	(1,607,646)
Finance costs	**(2,222,885)**	**(1,607,646)**

10 INCOME TAX BENEFIT

Income tax benefit related to the subsidiary in Egypt for the years ended 31 December 2015 and 2014 is detailed as follows:

	2015 US$	2014 US$
Current income tax:		
Current income tax benefit	**-**	2,216

Reconciliation of the effective income tax

The relationship between taxable profit and accounting profit related to the subsidiary in Egypt is as follow:

	2015 US$	2014 US$
Gain before income tax	426,269	6,305,107
Add / subtract the tax effect of below items:		
Negative balance for depreciation	(2,750)	(7,443)
Gain on sale of fixed assets	16,963	3,043
Carry forward losses	(1,430,417)	(7,731,124)
Taxable income (loss)	(989,935)	(1,430,417)
Income taxes at the applicable tax rate of 25%	**-**	**-**

11 PROPERTY, PLANT AND EQUIPMEMT

	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$
COST							
At 1 January 2015	720,268	498,282	6,143,255	1,733,125	3,944,480	3,441,286	16,480,696
Additions	74,647	240,372	331,557	162,258	-	12,052	820,886
Disposals	-	(176,329)	(28,182)	(58,370)	(3,944,480)	-	(4,207,361)
Transfers	14,578	-	1,822,435	(1,837,013)	-	-	-
Exchange differences	(20)	(4,269)	(49)	-	-	-	(4,338)
At 31 December 2015	**809,473**	**558,056**	**8,269,016**	**-**	**-**	**3,453,338**	**13,089,883**
DEPRECIATION							
At 1 January 2015	543,945	422,677	4,787,050	-	518,306	-	6,271,978
Depreciation charge for the year	65,699	73,931	825,549	-	981	51,800	1,017,960
Disposals	-	(144,304)	(5,316)	-	(519,287)	-	(668,907)
Exchange differences	(20)	(4,274)	(49)	-	-	-	(4,343)
At 31 December 2015	**609,624**	**348,030**	**5,607,234**	**-**	**-**	**51,800**	**6,616,688**
NET CARRYING AMOUNT							
At 31 December 2015	**199,849**	**210,026**	**2,661,782**	**-**	**-**	**3,401,538**	**6,473,195**
Less: provision for impairment in assets							152,753
							6,320,442
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

During 2015, the Group sold the factory plant and equipment along with inventory for a total amount of SAR 1,005,000 (equivalent to US$ 268,000). This resulted in gain on disposal of plant and equipment amounting to US$ 157,277 recorded under "Other income (expense) – net" in the consolidated statement of profit or loss and other comprehensive income.

12 INTANGIBLE ASSET

Intangible asset represents computer license fees.

	2015 US$	2014 US$
COST		
At 1 January	139,316	139,316
Additions	10,000	-
At 31 December	149,316	139,316
ACCUMULATED AMORTIZATION		
At 1 January	139,316	139,316
Charge for the year	411	-
At 31 December	139,727	139,316
Net carrying amount:		
At 31 December	**9,589**	**-**

13 DEVELOPMENT PROPERTIES

2015	EGYPT US$	SAUDI ARABIA US$	TOTAL US$
Land	**-**	**5,679,183**	**5,679,183**

2014	EGYPT US$	SAUDI ARABIA US$	TOTAL US$
Land	**-**	**5,679,183**	**5,679,183**

A. DEVELOPMENT PROPERTY IN EGYPT

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.

14 INVESTMENTS IN ASSOCIATES

	2015 US$	2014 US$
Al Zorah Development Private Co. Ltd (PSC)	305,724,570	296,054,473
Development and Investment Company	67,178,208	67,178,209
Golden Tower LLC	19,249,914	9,170,243
	392,152,692	**372,402,925**

	2015 US$	2014 US$
As at 1 January	372,402,925	360,273,617
Realized gain from transaction with an associate (note 5)	1,750,655	2,287,702
Investment in an associate (b)	10,666,667	-
Dividend income from associates	(1,373,750)	(4,856,886)
Share of results for the year	8,652,881	14,702,376
Exchange difference	53,314	(3,884)
As at 31 December	**392,152,692**	**372,402,925**

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$
2015								
Al Zorah Development Private Co. Ltd (PSC) (a) through SI Al Zorah Equity Investment Inc.	United Arab Emirates	856,295,711	231,736,692	624,559,019	16,160,926	49%	306,033,919	7,918,854
Golden Tower LLC (b)	Saudi Arabia	126,512,624	130,685,154	(4,172,530)	(1,279,446)	50%	(2,086,265)	(639,723)
Development and Investment Company Limited (c)	Cayman Islands	80,622,031	245,108	80,376,923	3,140,000	43.75%	35,164,904	1,373,750
		1,063,430,366	**362,666,954**	**700,763,412**	**18,021,480**		**339,112,558**	**8,652,881**
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 (b)	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 (c)	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**

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 2015, Golden Tower LLC withdrew an amount of US$ 40 million (2014: the same).

During 2015, the Group signed with its associate, Golden Tower LLC, an amendment to the second loan agreement rescheduling the installments due dates and amending the effective interest to 5.25% plus 3 months LIBOR starting 25 June 2015. As per the amendment, this loan is payable over seven quarterly installments, six of which amounted to US$ 5.7 million each starting 25 June 2016. The remaining balance is payable on 25 December 2017.

During 2015, the Group signed with its associate, Golden Tower LLC, a third loan agreement whereby the Group granted its associate a loan amounting to SAR 40,000,000 (equivalent to US$ 10,666,667). This loan is not subject to any interest, is payable after the completion and sale of the tower by the associate and is recorded as an investment in Golden Tower LLC.

Interest income on the loans to Golden Tower LLC amounted to US$ 1,530,802 during 2015 recorded in Finance income in the consolidated statement of profit or loss and other comprehensive income (2014: US$ 1,040,601) (note 9 & 23).

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 (2014: same). The associate's objective is to develop real estate projects.

Dividends income from Development and Investment Company Limited amounted to US$ 1,373,750 during the year ended 31 December 2015 (2014: US$ 1,523,655).

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

	COUNTRY OF INCORPORATION	ACTIVITY	OWNERSHIP OF UNITS 2015 %	OWNERSHIP OF UNITS 2014 %	2015 COST US$	2015 FAIR VALUE US$	2014 COST US$	2014 FAIR VALUE US$
MED-SI Real Estate Development Fund II (a) (Committed capital of SAR 1,250 million)	Saudi Arabia	Real estate development	50%	51.32%	166,699,004	227,237,773	171,099,004	203,085,961
BLOM Solidere Real Estate Fund (b) (Committed capital of SAR 600 million)	Saudi Arabia	Real estate development	50%	50%	76,020,307	108,794,632	76,020,307	95,100,189
Solidere BLOM Real Estate Fund III (c) (Committed capital of SAR 250 million)	Saudi Arabia	Real estate development	56.40%	56.40%	31,968,525	41,547,368	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%	85.03%	154,098,667	172,304,163	154,098,667	154,098,667
Less: deferred income (d)					-	(11,319,470)	-	(11,319,470)
					428,786,503	**538,564,466**	**433,186,503**	**476,590,599**

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 or loss and deferred income as follows:

	2015 US$	2014 US$
Balance at 1 January	43,404,096	548,650
Unrealized gain from revaluation of funds at fair value through profit or loss	66,373,867	54,174,916
Deferred income	-	(11,319,470)
Balance at 31 December	**109,777,963**	**43,404,096**

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.

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

During 2015, the Group sold 4,400 units at their cost for a total amount of US$ 4,400,000 to related parties.

As per the agreement signed between the Group and the Fund Manager, the Group rendered development and other services to the fund amounting to US$ 170,000 recorded under "Revenue" in the consolidated Statement of Profit or Loss and Other Comprehensive Income during the year ended 31 December 2015 (2014: US$ 2,133,290) (note 6).

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 2014 and 31 December 2015 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 to the fund amounting to US$ 224,832 recorded under "Revenue" in the consolidated Statement of Profit or Loss and Other Comprehensive Income during the year ended 31 December 2015 (2014: US$ 903,581) (note 6).

C. SOLIDERE BLOM 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 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.

As per the agreement signed between the Group and the Fund Manager, the Group rendered development and other services to the fund amounting to US$ 815,613 recorded under "Revenue" in the consolidated Statement of Profit or Loss and Other Comprehensive Income during the year ended 31 December 2015 (2014: nil) (note 6).

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.

As per the agreement signed between the Group and the Fund Manager, the Group rendered development and other services to the fund amounting to US$ 3,427,376 recorded under "Revenue" in the consolidated Statement of Profit or Loss and Other Comprehensive Income during the year ended 31 December 2015 (2014: nil) (note 6).

16 ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

	2015 US$	2014 US$
Advance made in connection with the purchase of land	20,916,913	20,916,913
Due from related parties (note 23)	1,284,515	1,620,756
Accrued interest income on bank term deposits	85,988	109,466
Accrued interest income from related parties	3,226,861	1,696,057
Advance in connection with the purchase of shares in a Saudi Company	-	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	2,371,807	133,333
Prepaid expenses	361,857	418,385
Other advances	1,417	359,544
Rent deposits	44,535	73,898
Travel advances made to employees	16,047	26,806
Other receivables	244,909	177,870
	31,010,050	30,122,131
Less: provision for doubtful receivables and other debit balances	(2,455,201)	(2,455,201)
Less: collective impairment of receivables	(8,000,000)	(2,000,000)
	20,554,849	**25,666,930**

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.

During 2015, the Group collected the advance made in connection with the purchase of shares in a Saudi Company.

During 2015, the Group set up additional collective provision of US$ 6,000,000 (US$ 2,000,000 in 2014) recorded in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

17 BANK BALANCES AND CASH

	2015 US$	2014 US$
Cash on hand	169,475	159,906
Current accounts	3,001,218	6,436,341
Short term deposits	32,426,249	44,206,799
	35,427,467	50,643,140
Cash and cash equivalents	**35,596,942**	**50,803,046**

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 two weeks and one month, 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 3.66% and 4.5% per annum (2014: between 3.75% and 4.5% per annum).

Bank balances are segregated between currencies as follows:

	2015 US$	2014 US$
US Dollars	34,626,285	47,123,315
Saudi Riyals	706,640	3,160,339
Egyptian Pounds	93,560	102,908
United Arab Emirates Dirham	982	256,578
	35,427,467	**50,643,140**

18 SHARE CAPITAL AND SHARE PREMIUM

Share capital	AUTHORIZED US$	ISSUED AND FULLY PAID US$
11,000,000 shares of US$ 0.05 par value each (2014: 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 2015 and 2014. Capital comprises share capital, share premium, retained earnings and other reserves, and is measured at US$ 940,076,449 as of 31 December 2015 (31 December 2014: US$ 879,813,547).

19 BANK LOAN

	2015 US$	2014 US$
Current portion	**17,100,000**	**17,100,000**
Non-current portion	**22,900,000**	**22,900,000**

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 seven quarterly instalments, six 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 2015, an amount of US$ 40 million was drawn down (2014: the same).

During 2015, the Group signed with the bank, an amendment to the loan agreement rescheduling the installments due dates and amending the effective interest to 5.25% plus 3-months LIBOR starting 25 June 2015. As per the amendment, this loan is payable over seven quarterly installments, six of which amount to US$ 5.7 million each starting 25 June 2016. The remaining balance is payable on 25 December 2017.

As at 31 December 2015, the interest incurred on the loan amounted to US$ 2,221,928 (2014: US$ 1,605,892) and was recorded under "Finance costs" in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

20 EMPLOYEES' END-OF-SERVICE BENEFITS

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

	2015 US$	2014 US$
Balance at 1 January	1,742,727	1,269,769
Provided for during the year	810,507	905,453
Paid during the year	(136,802)	(432,495)
Balance at 31 December	**2,416,432**	**1,742,727**

21 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.

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 grant that is until 5 May 2015 and extended until 5 May 2018. 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:

	2015 EXERCISE PRICE PER SHARE US$	2015 NUMBER OF OPTIONS	2014 EXERCISE PRICE PER SHARE US$	2014 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 2015 and 2014:

	2015	2014
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:

	2015 US$	2014 US$
Balance at 1 January	5,844,300	5,844,300
Balance at 31 December	**5,844,300**	**5,844,300**

22 ACCOUNTS PAYABLE AND ACCRUALS

	2015 US$	2014 US$
Accrued expenses	2,903,875	2,956,295
Due to related parties (note 23)	917,176	618,008
Provision for annual leaves	540,785	507,990
Provision for miscellaneous charges	75,000	94,988
Accrued interest payable	37,200	34,387
Advance received	-	1,646,875
Retention payable	-	138,338
Deferred revenue	-	40,000
Other payables	117,950	45,144
	4,591,986	**6,082,025**

23 RELATED PARTY TRANSACTIONS AND BALANCES

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:

	2015 SERVICES RENDERED TO RELATED PARTIES US$	2015 SERVICES PROVIDED BY RELATED PARTIES US$	2014 SERVICES RENDERED TO TO RELATED PARTIES US$	2014 SERVICES PROVIDED TO RELATED PARTIES US$
SHAREHOLDER				
The Lebanese Company for the Development and Reconstruction of Beirut Central District (Solidere) sal	-	914,484	-	926,615
ASSOCIATES				
Al Zorah Development (Private) Company Ltd (note 6)	1,066,121	-	1,727,128	-
Golden Tower LLC (note 6)	417,500	-	1,680,000	-
	1,483,621	**914,484**	**3,407,128**	**926,615**

	2015 US$	2014 US$
FINANCE INCOME		
ASSOCIATE	1,530,802	1,040,601
Golden Tower LLC (note 9)	**1,530,802**	**1,040,601**

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

	2015 DUE FROM RELATED PARTIES US$	2015 DUE TO RELATED PARTIES US$	2014 DUE FROM RELATED PARTIES US$	2014 DUE TO PARTIES RELATED US$
SHAREHOLDER				
The Lebanese Company for the Development and Reconstruction of Beirut Central District (Solidere) SAL	-	917,176	-	618,008
ASSOCIATES				
Al Zorah Development (Private) Company Ltd	850,000	-	1,603,741	-
Golden Tower LLC	434,515	-	17,015	-
	1,284,515	**917,176**	**1,620,756**	**618,008**

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 2015 amounted to US$ 850,000 (2014: US$ 1,503,741) (note 4).

Other transactions and balances with related parties are disclosed in note 14 and throughout these consolidated financial statements.

Compensation of key management personnel for the year ended 31 December 2015 amounted to US$ 3,050,000 (2014: US$ 3,050,000). The remuneration of the Board of Directors for the year ended 31 December 2015 amounted to US$ 450,000 (2014: 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$	2015 NUMBER OUTSTANDING	2014 NUMBER OUTSTANDING
2008	**5 May 2018**	**70**	**685,000**	**685,000**

24 MATERIAL PARTLY - OWNED SUBSIDIARY

Financial information of the subsidiary that have material non-controlling interest are provided below:

Proportion of equity interests held by non-controlling interest: NAME	2015 %	2014 %
SI Al Zorah Equity Investment, Inc.	22.727	22.727

	US$	US$
Accumulated balances of material non-controlling interest:		
SI Al Zorah Equity Investment, Inc.	62,462,808	60,857,169
Profit allocated to material non-controlling interest:		
SI Al Zorah Equity Investment, Inc.	1,605,639	2,854,768
Other comprehensive loss allocated to material non-controlling interest:		
SI Al Zorah Equity Investment, Inc	-	-

The summarized financial information of the subsidiary are provided below. This information is based on amounts before inter-company eliminations:

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME	SI AL ZORAH EQUITY INVESTMENT, INC. 2015 US$	2014 US$
Administrative expenses	(47,913)	(51,108)
Other income, net	-	13,075
Finance income, net	4,099	19,129
Share of results of an associate	7,110,807	12,579,867
Income for the year	**7,066,993**	**12,560,963**
Other comprehensive income	-	-
Total comprehensive income for the year	**7,066,993**	**12,560,963**
Attributable to non-controlling interests	**1,605,639**	**2,854,768**

SUMMARIZED STATEMENT OF FINANCIAL POSITION	SI AL ZORAH EQUITY INVESTMENT, INC. 2015 US$	2014 US$
ASSETS		
Non-current assets		
Investments in an associate	274,805,969	267,694,562
Current assets		
Prepayments	4,872	-
Bank balances	121,257	117,172
	126,129	117,172
Total Assets	**274,932,098**	**267,811,734**
EQUITY AND LIABILITIES		
Current liabilities		
Accrued expenses and other payables	95,296	42,525
Total Liabilities	**95,296**	**42,525**
EQUITY		
Share capital	256,700,000	256,700,000
Retained earnings	17,990,006	10,923,013
Foreign currency translation reserve	146,796	146,196
Total Equity	**274,836,802**	**267,769,209**
Attributable to non-controlling interests	62,462,808	60,857,169
Total Liabilities And Equity	**274,932,098**	**267,811,734**

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 (including bank loan) 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$ 46,097 (2014: US$ 61,313). 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:

	2015 US$	2014 US$
Investments in funds designated at FVTPL	538,564,466	476,590,599
Accounts receivable and other debit balances	20,192,992	25,248,545
Loan to an associate	50,669,512	50,669,512
Bank balances and cash	35,596,942	50,803,046
	645,023,912	**603,311,702**

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:

YEAR ENDED 31 DECEMBER 2015	LESS THAN 3 MONTHS US$	3 TO 12 MONTHS US$	1 TO 5 YEARS US$	>5 YEARS US$	TOTAL US$
Bank loan	-	19,082,738	23,775,513	-	42,858,251
Accounts payable	1,035,126	-	-	-	1,035,126
	1,035,126	**19,082,738**	**23,775,513**	**-**	**43,893,377**

YEAR ENDED 31 DECEMBER 2014	LESS THAN MONTHS US$	3 TO 12 MONTHS US$	1 TO 5 YEARS US$	>5 YEARS US$	TOTAL US$
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**

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 was 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 investments in funds designated at fair value through profit or loss 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

26 FAIR VALUES

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, investments in funds, loans to an associate 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:

	VALUATION TECHNIQUES			
2015	QUOTED MARKET PRICE LEVEL 1 US$	OBSERVABLE INPUTS LEVEL 2 US$	OBSERVABLE INPUTS LEVEL 3 US$	TOTAL US$
FINANCIAL ASSETS MEASURED AT FAIR VALUE				
Investments in funds designated at fair value through profit or loss (FVTPL)	-	538,564,466	-	538,564,466
FINANCIAL ASSETS MEASURED AT AMORTIZED COST FOR WHOSE FAIR VALUES ARE DISCLOSED				
Bank balances and cash	35,596,942	-	-	35,596,942
Loans to an associate	-	50,625,691	-	50,625,691
Accounts receivable and other debit balances	-	20,192,992	-	20,192,992
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST FOR WHOSE FAIR VALUES ARE DISCLOSED				
Bank loan	-	40,000,000	-	40,000,000
Accounts payable	-	1,035,126	-	1,035,126

As at 31 December 2015, the directors of the Group consider that the carrying amounts of bank balances and cash, accounts receivable and accounts payable approximate their fair value due to the short-term maturities of most of these instruments.

	VALUATION TECHNIQUES			
2014	QUOTED MARKET PRICE LEVEL 1 US$	OBSERVABLE INPUTS LEVEL 2 US$	OBSERVABLE INPUTS LEVEL 3 US$	TOTAL US$
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 WHOSE FAIR VALUES ARE DISCLOSED:				
Bank balances and cash	50,803,046	-	-	50,803,046
Loans to an associate	-	50,669,512	-	50,669,512
Accounts receivable and other debit balances	-	25,248,545	-	25,248,545
FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST FOR WHOSE FAIR VALUES ARE DISCLOSED:				
Bank loan	-	40,000,000	-	40,000,000
Accounts payable	-	2,488,365	-	2,488,365

As at 31 December 2014, the directors of the Group consider that the carrying amounts of bank balances and cash, accounts receivable and accounts payable approximate their fair value due to the short-term maturities of most of these instruments.