DUBAI PARKS & RESORTS

Dubai Parks and Resorts PJSC and its Subsidiaries

Interim financial information and independent auditor's review report for the three months ended 31 March 2016

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Dubai Parks and Resorts PJSC and its Subsidiaries

Contents

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Report on review of interim financial information

Board of Directors
Dubai Parks and Resorts PJSC
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of **Dubai Parks and Resorts PJSC** (the "Company") **and its Subsidiaries** (together the "Group") as at 31 March 2016 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this consolidated financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)

Musa Ramahi
Partner
Registration No. 872

11 May 2016

Condensed consolidated statement of financial position as at 31 March 2016

	Notes	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
ASSETS			
Property and equipment	5	**5,518,870**	4,652,195
Investment properties	6	**323,132**	283,344
Advances to contractors and other receivables	7	**344,259**	372,021
Derivative financial instruments	8	**-**	1,711
Other financial assets	9	**3,033,227**	2,855,593
Cash and bank balances	10	**459,934**	461,436
Total assets		**9,679,422**	8,626,300
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**6,321,828**	6,321,828
Equity issue reserve		**3,736**	3,736
Cash flow hedging reserve	8	**(35,060)**	1,711
Accumulated losses		**(187,606)**	(149,257)
Total equity		**6,102,898**	6,178,018
Liabilities			
Bank facilities	12	**2,143,917**	1,257,569
Trade and other payables	13	**1,397,547**	1,177,838
Derivative financial instruments	8	**35,060**	-
Due to a related party	14	**-**	12,875
Total liabilities		**3,576,524**	2,448,282
Total equity and liabilities		**9,679,422**	8,626,300

Abdulwahab Al Halabi
Vice Chairman

Raed Al Nuaimi
Chief Executive Officer

Fahad Kazim
Non-Executive Director

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income (un-audited) for the three months ended 31 March 2016

	Notes	**Period ended 31 March 2016 AED'000 (Unaudited)**	Period ended 31 March 2015 AED'000 (Unaudited)
General and administrative expenses	15	**(39,619)**	(18,182)
Marketing and selling expenses	16	**(15,449)**	(3,515)
Interest income		**19,219**	12,803
Amortization of borrowing costs		**(2,500)**	(4,206)
Loss for the period		**(38,349)**	(13,100)
Other comprehensive loss			
Cash flow hedge – loss on fair value		**(36,771)**	-
Total comprehensive loss for the period		**(75,120)**	(13,100)
Loss per share:			
Basic and diluted loss per share (AED)	17	**(0.006)**	(0.002)

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity for the three months ended 31 March 2016

	Share capital AED'000	Equity issue reserve AED'000	Cash flow hedging reserve AED'000	Accumulated losses AED'000	Total AED'000
As at 1 January 2015 (Audited)	6,321,828	3,736	-	(38,326)	6,287,238
Total comprehensive loss for the period	-	-	-	(13,100)	(13,100)
As at 31 March 2015 (Unaudited)	6,321,828	3,736	-	(51,426)	6,274,138
As at 1 January 2016 (Audited)	6,321,828	3,736	1,711	(149,257)	6,178,018
Loss for the period	-	-	-	(38,349)	(38,349)
Other comprehensive loss for the period	-	-	(36,771)	-	(36,771)
Total comprehensive loss for the period	-	-	(36,771)	(38,349)	(75,120)
As at 31 March 2016 (Unaudited)	**6,321,828**	**3,736**	**(35,060)**	**(187,606)**	**6,102,898**

Condensed consolidated statement of cash flows (un-audited) for the three months ended 31 March 2016

	31 March 2016 AED'000 (Unaudited)	31 March 2015 AED'000 (Unaudited)
Operating activities		
Loss for the period	**(38,349)**	(13,100)
Adjustments for:		
Depreciation expense	**2,034**	133
Interest income	**(19,219)**	(12,803)
Amortization of borrowing cost	**2,500**	4,206
Provision for employees' end-of-service indemnity	**1,309**	436
Operating cash flows before changes in operating assets and liabilities	**(51,725)**	(21,128)
Decrease/(increase) in advances to contractors and other receivables	**43,565**	(36,597)
Increase in trade and other payables	**218,400**	40,208
Net cash generated by/(used in) operating activities	**210,240**	(17,517)
Cash flows from investing activities		
(Increase)/decrease in other financial assets	**(177,634)**	253,956
Additions to property and equipment	**(844,252)**	(382,156)
Additions to investment properties	**(39,788)**	(1,188)
Interest received	**3,416**	-
Net cash used in investing activities	**(1,058,258)**	(129,388)
Cash flows from financing activities		
Proceeds from bank facilities	**886,834**	-
Borrowing costs paid	**(5,338)**	(8,817)
Finance costs paid	**(22,105)**	-
Movement in restricted cash	**(13,846)**	-
(Decrease)/increase in amounts due to a related party	**(12,875)**	17,179
Net cash generated by financing activities	**832,670**	8,362
Net decrease in cash and cash equivalents	**(15,348)**	(138,543)
Cash and cash equivalents at the beginning of the period (Note 10)	**363,764**	163,573
Cash and cash equivalents at the end of the period (Note 10)	**348,416**	25,030

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016

1. Company and operations

Dubai Parks and Resorts PJSC (the "Company") was originally formed as a limited liability company with commercial license number 673692 and was established on 11 July 2012. On 9 December 2014, approval from the Ministry of Economy was obtained and the Company was converted to a Public Joint Stock Company PJSC in accordance with U.A.E. Federal Commercial Companies Law No. 8 of 1984, as replaced by U.A.E. Federal Law No. 2 of 2015. The Company is a subsidiary of Meraas Holding LLC (the "Ultimate Parent Company").

The registered address of the Company is P.O. Box 123311, Dubai, United Arab Emirates ('UAE').

As at 31 March 2016, the licensed activities of the Company and its subsidiaries (collectively the "Group") are investment in commercial enterprises and management, amusement parks, investment in and management of tourist enterprises and sport and recreational events, tickets e-trading, marketing management, facilities management services and event management.

As at 31 March 2016, the Company has not commenced its revenue generating activities and accordingly there is no operating revenue for the period.

The condensed consolidated financial statements includes the following subsidiaries:

			Percentage of ownership		
Name of subsidiary	**Place of incorporation**	**Date of incorporation**	**Legal**	**Beneficial**	**Activity**
Motiongate (LLC)	Dubai, U.A.E.	18 March 2013	99%	100%	Theme park development
Mgate Operations (LLC)*	Dubai, U.A.E.	8 April 2013	100%	100%	Facilities management
Dubai Parks Destination Management (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Theme park management
Bollywood Parks (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Theme park development
Dubai Parks Hotel (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Real estate development
River Park (LLC)	Dubai, U.A.E.	25 August 2014	99%	100%	Real estate development
LL Dubai Theme Park (LLC)	Dubai, U.A.E.	7 September 2014	99%	100%	Theme park development
LL Dubai Operations (LLC)**	Dubai, U.A.E.	14 October 2014	100%	100%	Facilities management
BWP Operations (LLC)***	Dubai, U.A.E.	25 March 2015	100%	100%	Facilities management
SF Dubai (LLC)	Dubai, U.A.E.	21 May 2015	99%	100%	Theme park development
LL Dubai Hotel (LLC)	Dubai, U.A.E.	16 March 2016	99%	100%	Real estate development

** Subsidiary of Motiongate (LLC)*
*** Subsidiary of LL Dubai Theme Park (LLC)*
**** Subsidiary of Bollywood Parks (LLC)*

2. Application of new and revised International Financial Reporting Standards ("IFRSs")

2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these condensed consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- IFRS 14 *Regulatory Deferral Accounts*.
- Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative.
- Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations.
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortization.
- 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.
- 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.
- Annual Improvements to IFRS 2012-2014 Cycle covering amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures and IAS 19 Employee Benefits (2011).

In 2015, the Group has opted for early adoption of IFRS 15 Revenue from Contracts with Customers. 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 supersedes the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations. The application of this IFRS does not have any impact on the amounts reported as the group has not commenced revenue generating activities.

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not yet early applied the following new standard, amendments and interpretations that have been issued but are not yet effective:

New and revised IFRS	Effective for annual periods beginning on or after
• Amendments to IAS 7 to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	1 January 2017

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

2. Application of new and revised International Financial Reporting Standards ("IFRSs") (continued)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

<u>New and revised IFRS</u>	**Effective for annual periods <u>beginning on or after</u>**
• Finalised version of IFRS 9 [IFRS 9 *Financial Instruments* (2014)] was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition. This amends classification and measurement requirement of financial assets and introduces new expected loss impairment model. A new measurement category of fair value through other comprehensive income (FVTOCI) will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets. A new impairment model based on expected credit losses will apply to debt instruments measured at amortised costs or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contract.	1 January 2018
• IFRS 16 *Leases* 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.	1 January 2019
• 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
• 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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the condensed consolidated financial statements of the Group in the period of initial application.

3. Summary of significant accounting policies

Statement of compliance

These condensed consolidated financial statements is prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the IASB and also complies with the applicable requirements of the laws in UAE.

The UAE Federal Law No. 2 of 2015 ("Companies Law") has come into force on 1 July 2015. The Company has twelve months from the effective date of the Companies Law to comply with its provisions (the "transitional provisions"). During the Annual General Meeting held on 18 April 2016, the shareholders' of the Company approved to amend the Article of Association to comply with the UAE Federal Law No. 2 of 2015. Management is in the process of amending its Articles to comply the new Law.

Basis of preparation

The condensed consolidated financial statements has been prepared on the historical cost basis except for derivative financial instruments that are measured at fair value.

The condensed consolidated financial statements does not include all the information required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2015.

In addition, results for the period from 1 January 2016 to 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. The condensed consolidated statement of comprehensive income for the three months period ended 31 March 2016 is not significantly affected by seasonality of results.

The accounting policies used in the preparation of these condensed consolidated financial statements is consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2015.

Basis of consolidation

The condensed consolidated financial statements of the Company and its subsidiaries incorporate the financial information of the Company and the entities controlled by the Company (its subsidiaries) prepared up to 31 March 2016. 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 powers to affect its returns.

The condensed consolidated financial statements comprises the financial statements of the Company and of the subsidiaries as disclosed in Note 1 to these condensed consolidated financial statements.

Investment properties

Investment properties comprise of properties held to earn rentals or for capital appreciation, or both, (including investment properties under construction for such purposes). Investment properties are measured initially at cost, including related transaction costs, less accumulated depreciation and any accumulated impairment losses in accordance with the cost model of IAS 16 Property, plant and equipment. No depreciation is charged on land and investment properties under construction.

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

3. Summary of significant accounting policies (continued)

Investment properties (continued)

Expenditure incurred to replace a component of an item of investment properties 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 investment properties. All other expenditure is recognised in condensed consolidated statement of comprehensive income as the expense is incurred.

Investment properties are derecognised upon disposal or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in condensed consolidated statement of comprehensive income in the period in which the property is derecognised.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by the ending of owner-occupation for a transfer from owner occupied property or commencement of an operating lease to another party for a transfer from inventories. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner-occupation for a transfer to owner occupied property or commencement of development with a view to sale for a transfer to inventories. Such transfers are made at the carrying value of the properties at the date of transfer.

Property and equipment

Property and equipment comprise of land and building, vehicles, IT and office equipment, furniture and fixture and capital work-in-progress.

All items of property and equipment are initially recorded at cost. Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Borrowing costs that are directly attributable to acquisition, construction or production of an asset are included in the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. All other repairs and maintenance are charged to condensed consolidated statement of comprehensive income when incurred.

Depreciation is charged so as to write-off the cost of property and equipment, other than capital work-in-progress, less their estimated residual value, on a straight-line basis over the expected useful lives of the assets, as follows:

3. Summary of significant accounting policies (continued)

Property and equipment (continued)

	Years
Building	15
Furniture and fixture	3 - 4
Vehicles	3 - 4
IT and office equipment	3 - 4

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Fully depreciated property and equipment are retained in the condensed consolidated financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Capital work-in-progress

Capital work-in-progress includes properties that are being constructed or developed for future use. Cost includes pre-development infrastructure, construction and other related expenditure such as professional fees and engineering costs attributable to the project, which are capitalised during the period when activities that are necessary to make the assets ready for their intended use are in progress. These properties are classified as capital work-in-progress until construction or development is completed.

Direct costs from the start of the project up to completion of the project are capitalised. No depreciation is charged on capital work-in-progress.

Classification of properties

Management determines at the time of acquisition or construction of the property, whether the property should be classified as development property, investment property or property, plant and equipment. The Group classifies a property as development property when the intention is to develop the property for the purpose of future sale to third parties. The Group classifies a property as investment property when the intention is to hold the property for rental, capital appreciation or for undetermined use. The Group classifies a property as property, plant and equipment when the intention is to use the property for its operations.

Borrowing cost/Finance cost

Borrowing/Finance costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready.

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

3. Summary of significant accounting policies (continued)

Derivative financial instruments

The Group deals with derivatives, primarily interest-rate swaps and forward exchange contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the condensed consolidated statement of comprehensive income immediately. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative.

Hedge accounting

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in condensed consolidated statement of comprehensive income within other gains/ (losses).

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in condensed consolidated statement of comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in condensed consolidated statement of comprehensive income. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in condensed consolidated statement of comprehensive income.

4. Critical accounting judgment and key sources of estimation uncertainty

The preparation of the Group's condensed consolidated financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In preparing these condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

5. Property and equipment

	Land AED'000	Building AED'000	Vehicles AED'000	IT and office equipment AED'000	Furniture and fixture AED'000	Capital work-in-progress AED'000	Total AED'000
Cost							
As at 1 January 2015 (Audited)	716,443	-	321	972	-	1,276,988	1,994,724
Additional cost incurred during the year	-	7	5,011	3,590	741	2,649,635	2,658,984
Reclassification	-	14,050	-	745	5,234	(20,029)	-
Transfers from a related party (a)	-	-	-	2,438	-	-	2,438
As at 31 December 2015 (Audited)	716,443	14,057	5,332	7,745	5,975	3,906,594	4,656,146
Additional cost incurred during the period	-	-	-	1,235	3	867,384	868,622
Transfers from a related party (a)	-	-	-	87	-	-	87
As at 31 March 2016 (Unaudited)	**716,443**	**14,057**	**5,332**	**9,067**	**5,978**	**4,773,978**	**5,524,855**
Accumulated depreciation							
As at 1 January 2015 (Audited)	-	-	113	316	-	-	429
Charge for the year	-	702	571	1,058	1,191	-	3,522
As at 31 December 2015 (Audited)	-	702	684	1,374	1,191	-	3,951
Charge for the period	-	234	403	1,038	359	-	2,034
As at 31 March 2016 (Unaudited)	**-**	**936**	**1,087**	**2,412**	**1,550**	**-**	**5,985**
Carrying amount							
At 31 March 2016 (Unaudited)	**716,443**	**13,121**	**4,245**	**6,655**	**4,428**	**4,773,978**	**5,518,870**
At 31 December 2015 (Audited)	716,443	13,355	4,648	6,371	4,784	3,906,594	4,652,195

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

5. Property and equipment (continued)

a) During the period ended 31 March 2016 and year ended 31 December 2015, a related party transferred to the Group "IT and office equipment" [note 15 (c)].

b) Finance cost and amortised borrowing cost capitalised during the period under capital work in progress amounted to AED 24 million (31 December 2015: AED 15 million).

6. Investment properties

	Land AED'000	Capital work-in-progress AED'000	Total AED'000
Cost			
As at 1 January 2015 (Audited)	179,795	19,801	199,596
Additions	-	83,748	83,748
As at 31 December 2015 (Audited)	179,795	103,549	283,344
Additions	-	39,788	39,788
As at 31 March 2016 (Unaudited)	**179,795**	**143,337**	**323,132**

7. Advances to contractors and other receivables

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Advances to contractors	**314,745**	368,544
Prepayments and other receivables	**13,089**	2,855
Interest receivable	**16,425**	622
	344,259	372,021

8. Derivative financial instruments

	31 March 2016 (un-audited)		
	Negative fair value AED'000	Notional amount AED'000	Notional amount by term maturity More than 2 years AED'000
Interest rate swaps	(35,060)	1,692,931	1,692,931
	(35,060)	1,692,931	1,692,931

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

8. Derivative financial instruments (continued)

	31 December 2015 (audited)		
	Positive fair value	Notional amount	Notional amount by term maturity More than 2 years
	AED'000	AED'000	AED'000
Interest rate swaps	1,711	1,053,539	1,053,539
	1,711	1,053,539	1,053,539

9. Other financial assets

Other financial assets include margin deposits amounting AED 0.1 billion (31 December 2015: AED 0.1 billion) held by banks under lien against credit facilities issued to the Group and fixed deposits amounting to AED 2.9 billion (2015: AED 2.8 billion) held by banks with maturity periods of more than three months from the date of placement. The fixed deposits earn interest rates ranging from 2% to 3% (2015: 1% to 2%) per annum.

10. Cash and bank balances

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Cash on hand	**135**	125
Bank balances:		
Call and current accounts	**459,799**	461,311
	459,934	461,436
Less: Restricted cash	**(111,518)**	(97,672)
Cash and cash equivalents	**348,416**	363,764

Call accounts earn interest up to 1% (31 December 2015: 1%) per annum.

11. Share capital

Share capital comprises 6,321,827,708 authorised, issued and fully paid up shares of AED 1 per share. The Company is a subsidiary of the Ultimate Parent Company which owns 60% of the shares.

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

12. Bank facilities

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Term loans	**2,348,092**	1,461,258
Gross borrowing cost	**225,554**	220,216
Less: Cumulative amortization *	**(21,379)**	(16,527)
Un-amortised borrowing cost	**204,175**	203,689
Carrying amount	**2,143,917**	1,257,569

* Amortised borrowing cost during the period included AED 2.4 million (31 December 2015: AED 1.3 million) capitalised within capital work in progress.

	31 March 2016 AED'000	31 December 2015 AED'000
In the second year	**95,135**	60,041
More than three years	**2,252,957**	1,401,217
Amount due for settlement after 12 months	**2,348,092**	1,461,258

Term loans

a) The Group has arranged for bank facilities amounting to AED 4.2 billion (31 December 2015: AED 4.2 billion) in the form of term loans which were partially utilized up to 31 March 2016 to the amount of AED 2.3 billion (31 December 2015: AED 1.5 billion). The term loans are for the purposes of development of projects with the facility maturing in 2026. The term loans utilized during the period carries interest at LIBOR + 3.5% and EIBOR + 3.15% per annum (31 December 2015: LIBOR + 3.5% and EIBOR + 3.15% per annum).

b) As at 31 March 2016, unamortised borrowing cost relating to this bank facility amounted to AED 204 million (31 December 2015: AED 204 million).

c) The syndicated facility is secured by a range of mortgages over property owned by the Group, security over bank accounts, assignments of certain contracts, certain rights to receivables and intra-group loans and pledges over shares in the Guarantors.

Letters of credit

d) As at 31 March 2016, the Group has arranged for letters of credit amounting to AED 445 million (31 December 2015: AED 449 million) and outstanding letters of credit at the reporting date is amounting to AED 89 million (31 December 2015: AED 127 million). The letters of credit are secured by the following as applicable:

- Pledge over Wakala deposit; and
- Assignment of existing cash flows from a project of a related party.

e) The letters of credit are subject to certain covenants. As at the reporting date, the Group is in compliance with the required covenants.

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

13. Trade and other payables

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Trade payables	**153,891**	129,208
Accrued expenses (a)	**1,045,745**	902,829
Retentions payable (b)	**179,629**	133,647
Rental and other advances	**11,978**	9,967
Provision for employees end-of-service indemnity (c)	**3,296**	1,987
Deferred revenue	**2,749**	-
Other liabilities	**259**	200
	1,397,547	1,177,838

a) Included in accrued expenses are costs already incurred on capital work-in-progress amounting to AED 1 billion (31 December 2015: AED 0.9 billion) but have not yet been certified as at the reporting date.

b) Retentions payable represent amounts withheld in accordance with the terms of the contract when progress payments are made to the contractors. Retentions payable are settled based on contractual terms.

c) Provision for employees' end-of-service indemnity is made in accordance with the UAE labour law, and is based on current remuneration and cumulative years of service at the reporting date.

14. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control, and key management personnel.

At the reporting date, related party balances are as follows:

	31 March 2016 AED'000	31 December 2015 AED'000
Due to Ultimate Parent Company	-	12,875

a) The management decides on the terms and conditions of the transactions and of services received from/rendered to related parties as well as on other charges which are equivalent to prevailing arm's length transactions.

b) Due to a related party amounting to nil (31 December 2015: AED 13 million) represents the amounts payable to the Ultimate Parent Company for transactions during the period in respect of i) payments to contractors and suppliers, and ii) transfer of assets to the Group [Note 5 (a)].

c) During the period ended 31 March 2016 and year ended 31 December 2015, a related party has transferred certain assets to the Group (Note 5).

d) The key management remuneration (short term and long term benefits) for the period is AED 7 million (period ended 31 March 2015: AED 3 million)

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

15. General and administrative expenses

	Period ended 31 March 2016 AED'000 (Unaudited)	Period ended 31 March 2015 AED'000 (Unaudited)
Salaries and other employee benefits *	**31,196**	13,478
Depreciation	**2,034**	133
Professional and legal expenses	**1,960**	829
Recruitment expenses	**1,008**	-
Other	**3,421**	3,742
	39,619	18,182

* Pension contribution for U.A.E. citizens are made by the Group in accordance with Federal Law No. 7 of 1999.

16. Marketing and selling expenses

	Period ended 31 March 2016 AED'000 (Unaudited)	Period ended 31 March 2015 AED'000 (Unaudited)
Advertisement expenses	**10,533**	1,797
Exhibition expenses	**3,347**	1,366
Other	**1,569**	352
	15,449	3,515

17. Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue during the period.

	Period ended 31 March 2016 (Unaudited)	Period ended 31 March 2015 (Unaudited)
Loss attributable to equity holders of the Company (in AED'000)	**(38,349)**	(13,100)
Number of shares in issue (in '000)*	**6,321,828**	6,321,828
Basic loss per share (in AED)	**(0.006)**	(0.002)

* As at 31 March 2016, the Company did not have such dilutive ordinary shares.

Notes to the condensed consolidated financial statements for the three months ended 31 March 2016 (continued)

18. Commitments and contingent liabilities

(a) *Commitments*

Contracted commitments for the acquisition of services related to the development and construction of assets classified under property and equipment and investment properties amounted to AED 2.7 billion as at 31 March 2016 (31 December 2015: AED 3.2 billion).

(b) *Contingent liabilities*

	31 March 2016 AED'000 (Unaudited)	31 December 2015 AED'000 (Audited)
Letters of credit	**88,872**	126,857

19. Fair value of financial instruments

As at the reporting date, the financial instruments of the Group are classified at amortised cost. The carrying value of the financial assets and financial liabilities also approximate their fair value. The Group does not have any financial instruments being classified at fair value as at the reporting date except for derivative financial instruments.

20. Events after the reporting period

Subsequent to 31 March 2016, the Company at its Annual General Meeting held on 18 April 2016 approved the following:

- To increase the Company' Authorized Share Capital to AED 12.6 billion pursuant to article 193 of U.A.E. Federal Law No. 2 of 2015;
- To increase its Issued Share Capital by AED 1.7 billion through a rights issues to finance (i) the proposed Six Flags Dubai Project, (ii) for future business development purposes and (iii) to pay expenses incurred in connection with the issuance of rights issue; and
- To transfer and offset the equity issue reserve of AED 3.7 million against the accumulated losses of the Company.

The above approved resolutions have no impact on the Company's condensed consolidated financial statements as at 31 March 2016.

21. Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved by the Board of Directors and signed for issuance on 11 May 2016.