DUBAI PARKS & RESORTS

Dubai Parks and Resorts PJSC
and its Subsidiaries
Dubai - United Arab Emirates

Interim condensed consolidated financial information and independent auditor's review report for the six months period ended 30 June 2015

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Dubai Parks and Resorts PJSC and its Subsidiaries

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Report on Review of Interim Condensed Consolidated 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** (collectively the "Group") as at 30 June 2015 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed 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 condensed consolidated financial information is not prepared, in all material respects in accordance with IAS 34.

11 AUG 2015

Anis F. Sadek
Partner
Registration No. 521

Anis Sadek (521), Georges Najem (809), Mohammad Khamees Al Tah (717), Musa Ramahi (872), Mutasem Dajani (726), Rama Padmanabha Acharya (701) and Samir Madbak (386) are registered practicing auditors with the UAE Ministry of Economy.

Condensed consolidated statement of financial position as at 30 June 2015

	Notes	30 June 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
ASSETS			
Property and equipment	6	**2,938,100**	1,994,295
Investment properties	7	**214,648**	199,596
Advances to contractors and other receivables	8	**603,188**	370,399
Other financial assets	9	**3,131,379**	4,150,000
Cash and cash equivalents	10	**137,260**	163,573
Total assets		**7,024,575**	6,877,863
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**6,321,828**	6,321,828
Equity issue reserve		**3,736**	3,736
Accumulated losses		**(66,909)**	(38,326)
Total equity		**6,258,655**	6,287,238
Liabilities			
Due to related parties	13	**26,250**	16,008
Trade and other payables	14	**739,670**	574,617
Total liabilities		**765,920**	590,625
Total equity and liabilities		**7,024,575**	6,877,863

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 interim condensed consolidated financial information.

Condensed consolidated statement of comprehensive income for the six months period ended 30 June 2015

	Notes	**Period ended 30 June 2015 AED'000 (Unaudited)**	Period ended 30 June 2014 AED'000 (Unaudited)
General and administrative expenses	15	**(40,553)**	(5,159)
Marketing and selling expenses		**(6,932)**	-
Interest income		**26,550**	-
Finance cost	8	**(7,648)**	-
Loss for the period		**(28,583)**	(5,159)
Other comprehensive income		**-**	-
Total comprehensive loss for the period		**(28,583)**	(5,159)
Loss per share:			
Basic and diluted loss per share (AED)	16	**(0.005)**	(0.001)

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

Condensed consolidated statement of changes in equity for the six months period ended 30 June 2015

	Share capital AED'000	Equity issue reserve AED'000	Accumulated losses AED'000	Total AED'000
As at 1 January 2014 (Audited)	600	-	(17,044)	(16,444)
Total comprehensive loss for the period	-	-	(5,159)	(5,159)
As at 30 June 2014 (Unaudited)	600	-	(22,203)	(21,603)
As at 1 January 2015 (Audited)	6,321,828	3,736	(38,326)	6,287,238
Total comprehensive loss for the period	-	-	(28,583)	(28,583)
Balance as at 30 June 2015 (Unaudited)	**6,321,828**	**3,736**	**(66,909)**	**6,258,655**

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

Condensed consolidated statement of cash flows for the six months period ended 30 June 2015

	30 June 2015 AED'000 (Unaudited)
Operating activities	
Loss for the period	**(28,583)**
Adjustments for:	
Depreciation expense	**1,020**
Finance cost	**7,648**
Interest income	**(26,550)**
Provision for employees' end-of-service indemnity	**1,041**
Operating cash flows before changes in operating assets and liabilities	**(45,424)**
Increase in advances to contractors and other receivables	**(236,662)**
Increase in trade and other payables	**164,012**
Net cash used in operating activities	**(118,074)**
Cash flows from investing activities	
Decrease in other financial assets	**1,018,621**
Additions to property and equipment	**(944,144)**
Additions to investment properties	**(15,052)**
Interest received	**22,775**
Net cash generated from investing activities	**82,200**
Cash flows from a financing activity	
Increase in due to related parties	**9,561**
Net cash generated from a financing activity	**9,561**
Net decrease in cash and cash equivalents	**(26,313)**
Cash and cash equivalents at the beginning of the period (Note 10)	**163,573**
Cash and cash equivalents at the end of the period (Note 10)	**137,260**

The Group did not hold any cash or cash equivalents as at 30 June 2014 and consequently, there are no cash flows for the Group for the period ended 30 June 2014.

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

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015

1. Company and operations

Dubai Parks and Resorts PJSC (the "Company" or the "Parent 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 amended. 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 30 June 2015, the licensed activities of the Parent 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 30 June 2015, the Company has not commenced its revenue generating activities and accordingly there is no operating revenue for the period.

The interim condensed consolidated financial information include the following subsidiaries:

Name of subsidiary	Place of incorporation	Date of incorporation	Percentage of ownership		Activity
			Legal	Beneficial	
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

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

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

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

2.1 New and revised IFRS applied with no material effect on the interim condensed consolidated financial information

In the current period, the Group has adopted the following new and revised or amended IFRS or interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2015. The application of these new and revised IFRS 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.

New and revised IFRS	***Effective for annual periods beginning on or after***
• Amendments to IAS 19 *Employee Benefits* clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.	1 July 2014
• Annual improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2 *Share-based Payment*, IFRS 3 *Business Combinations*, IFRS 8 *Operating Segments*, IFRS 13 *Fair Value Measurement*, IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets*, and IAS 24 *Related Party Disclosures*.	1 July 2014
• Annual improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 3 *Business Combinations*, IFRS 13 *Fair Value Measurement* and IAS 40 *Investment Property.*	1 July 2014

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

The following new and revised standards and interpretation that have been issued but are not yet effective:

New and revised IFRS	***Effective for annual periods beginning on or after***
• 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

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

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

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

New and revised IFRS	***Effective for annual periods beginning on or after***
• IFRS 14 *Regulatory Deferral Accounts* issued in January 2014 specifies the financial reporting requirements for 'regulatory deferral account balance' that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.	1 January 2016
• IFRS 15 *Revenue from Contracts with Customers*: IFRS 15 provides a single, principles based five-step model to be applied to all related contracts with customers.	1 January 2017
• Annual Improvements to IFRS 2012 - 2014 Cycle that include amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7 *Financial Instruments: Disclosures* and IAS 19 *Employee Benefits*.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* to clarify the acceptable methods of depreciation and amortization.	1 January 2016
• Amendments to IFRS 11 *Joint Arrangements* to clarify accounting for acquisitions of *Interests in Joint Operations*.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
• Amendments to IAS 27 *Consolidated and Separate Financial Statements* allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements.	1 January 2016
• Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
• Amendments to IAS 1 *Presentation of Financial Statements* to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
• Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's interim condensed consolidated financial information for the period beginning 1 January 2015 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the interim condensed consolidated financial information of the Group in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's interim condensed consolidated financial information for the annual period beginning 1 January 2017 and 1 January 2018 respectively. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's interim condensed consolidated financial information in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group has completed a detailed review.

3. Significant accounting policies

Statement of compliance

These interim condensed consolidated financial information 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.

Basis of preparation

The interim condensed consolidated financial information has been prepared on the historical cost basis. The accounting policies adopted are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014.

The interim condensed consolidated financial information 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 2014.

In addition, results for the period from 1 January 2015 to 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015. The condensed consolidated statement of comprehensive income for the six months period ended 30 June 2015 is not significantly affected by seasonality of results.

Basis of consolidation

The interim condensed consolidated financial information 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 30 June 2015. 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 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.

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

3. Significant accounting policies (continued)

Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment properties

Investment properties comprise of properties held to earn rentals or for capital appreciation, or both, (including investment properties constructed 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.*

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 profit or loss 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 profit or loss 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,building, furniture and fixtures, vehicles, computer equipment 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.

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

3. Significant accounting policies (continued)

Property and equipment (continued)

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 profit or loss 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:

	Years
Building	15
Furniture and fixtures	3 - 4
Vehicles	3 - 4
Computer 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 interim condensed consolidated financial information 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.

4. Critical accounting judgment and key sources of estimation uncertainty

The preparation of the Group's interim condensed consolidated financial information 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.

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

4. Critical accounting judgment and key sources of estimation uncertainty (continued)

Critical judgment in applying the Group's accounting policies

In the process of applying the Group's accounting policies, Management has made the following critical accounting judgment that has the most significant effect on the amounts recognised in the interim condensed consolidated financial information:

Accounting for arrangement fees

Management has considered IAS 39 *Financial Instruments: Recognition and Measurement* in accounting for arrangement fees for the Group's bank facilities. Management believes that it is probable that the bank facilities will be drawn down in the future and therefore, the arrangement fees are amortised over the period of the bank facility.

Key sources of estimation uncertainty

The key assumptions concerning the future and key sources of estimation uncertainty at the reporting period, that have significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of property and equipment and investment properties

The carrying values of the Group's property and equipment and investment properties are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Management judge the recoverable amount of an asset as the greater of its value in use and its fair value less cost to sell. To assess value in use, estimated future cash flows are discounted to their present value using an appropriate discount rate. The key assumptions and estimates used when calculating the net present value of future cash flows are: a) future cash flows; b) timing and quantum of future capital and maintenance expenditures; c) long term growth rates, and d) discount rates to reflect the risks involved. As at the reporting date, there is no indication of impairment.

Estimated useful lives of property and equipment and investment properties

The asset's residual values and useful lives are reviewed at the reporting date and adjusted if appropriate, taking into account technology developments. Uniform depreciation rates are established based on the straight-line method which may not represent the actual usage of the assets. As 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.

5. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses. The Group currently determines and presents financial information as a single operating segment based on the information that is provided internally to corporate management for decision making.

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

6. Property and equipment

	Land AED'000	Building AED'000	Furniture and fixtures AED'000	Vehicles AED'000	Computer equipment AED'000	Capital work-in-progress AED'000	Total AED'000
Cost							
As at 1 January 2014 (Audited)	-	-	-	-	-	317,216	317,216
Additional cost incurred during the year	-	-	-	-	-	959,772	959,772
Contribution from the Ultimate Parent Company	716,443	-	-	-	-	-	716,443
Transfers from a related party (b)	-	-	-	321	972	-	1,293
As at 31 December 2014 (Audited)	716,443	-	-	321	972	1,276,988	1,994,724
Additional cost incurred during the period	-	-	624	2,309	717	940,494	944,144
Reclassification	-	13,900	5,209	-	745	(19,854)	-
Transfers from a related party (b)	-	-	-	-	681	-	681
As at 30 June 2015 (Unaudited)	**716,443**	**13,900**	**5,833**	**2,630**	**3,115**	**2,197,628**	**2,939,549**
Accumulated depreciation							
As at 1 January 2014 (Audited)	-	-	-	-	-	-	-
Charge for the year	-	-	-	113	316	-	429
As at 31 December 2014 (Audited)	-	-	-	113	316	-	429
Charge for the period	-	232	326	228	234	-	1,020
As at 30 June 2015 (Unaudited)	**-**	**232**	**326**	**341**	**550**	**-**	**1,449**
Carrying amount							
As at 30 June 2015 (Unaudited)	**716,443**	**13,668**	**5,507**	**2,289**	**2,565**	**2,197,628**	**2,938,100**
As at 31 December 2014 (Audited)	716,443	-	-	208	656	1,276,988	1,994,295

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

6. Property and equipment (continued)

a) Contracts for the acquisition and construction of property and equipment, which were previously entered into by related parties, are in the process of novation, which is expected to be completed by the end of 2015.

b) In 2015 and 2014, a related party transferred to the Group "Vehicles" and "Computer Equipment" [Note 13 (e)].

7. Investment properties

	Land AED'000	Capital work-in-progress AED'000	Total AED'000
Cost			
As at 1 January 2014 (Audited)	-	2,629	2,629
Additional cost incurred during the year	-	17,172	17,172
Contribution from the Ultimate Parent Company	179,795	-	179,795
As at 31 December 2014 (Audited)	179,795	19,801	199,596
Additional cost incurred during the period	-	15,052	15,052
As at 30 June 2015 (Unaudited)	**179,795**	**34,853**	**214,648**

Contracts for the acquisition and construction of investment properties, which were previously entered into by related parties, are in the process of novation, which is expected to be completed by the end of 2015.

8. Advances to contractors and other receivables

	30 June 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Advances to contractors	**433,495**	220,208
Prepayments and other receivables	**164,443**	148,716
Interest receivable	**5,250**	1,475
	603,188	370,399

As at 30 June 2015, prepayments include the remaining unamortised transaction costs amounting to AED 163 million (2014: AED 148 million) for bank facilities obtained by the Group, in the form of term loans which remain unutilised as at 30 June 2015 [Note 12(a)]. The amortised transaction costs charged to profit or loss for the period ended 30 June 2015 amounted to AED 8 million (year ended 31 December 2014: AED nil).

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

9. Other financial assets

Other financial assets include non-interest bearing guarantees amounting to AED 81 million (2014: nil) paid to third party lenders as guarantee for letters of credit utilised by the Group and fixed deposits amounting to AED 3 billion (2014: AED 4 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 1% to 2% (2014: 1% to 2%) per annum.

10. Cash and cash equivalents

	30 June 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Cash on hand	**85**	35
Bank balances:		
Call and current accounts	**137,175**	163,538
	137,260	163,573

Call accounts earn interest up to 1% (2014: 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 directly and indirectly through Meraas Leisure and Entertainment LLC (the "Intermediate Parent Company").

12. Bank facilities

Term loans

a) As at 30 June 2015, the Group had arranged for bank facilities amounting to AED 4.2 billion (31 December 2014: AED 4.2 billion) in the form of term loans which remain unutilised as at 30 June 2015. The terms loans are for the purposes of development of projects with the facility maturing in 2026.

As at 30 June 2015, unamortised transaction costs relating to bank facilities amounted to AED 163 million (31 December 2014: AED 148 million) [Note 8].

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

b) As at 30 June 2015, the Group had arranged for letters of credit amounting to AED 449 million (31 December 2014: 368 million). Out of the total facility amount, AED 368 million (31 December 2014: AED 368 million) was entered into by a related party on behalf of the Group [Note 13(b)]. 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.

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

12. Bank facilities (continued)

Letters of credit (continued)

c) As at 30 June 2015, AED 169 million (31 December 2014: AED 97 million) letters of credit have been outstanding [Note 17(b)].

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

13. 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.

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.

b) The intermediate parent company obtained an off- balance sheet trade finance facility for AED 368 million from a bank on behalf of the Group (guaranteed by the Ultimate Parent Company). The facility pertains to letters of credit to be issued in favour of the various suppliers in respect of the import of various products related to the theme park projects [Note 12(b)]. While the Group is responsible for all liabilities in relation to the facility, the covenants are at the Ultimate Parent Company level [Note 12(d)]. As at the reporting date, AED 87 million (2014: AED 97 million) of letters of credit are outstanding [Note 17(b)].

c) Due to related parties amounting to AED 26 million (31 December 2014: AED 16 million) represents amounts payable to the Ultimate Parent Company and its subsidiaries in respect of; i) payments to contractors and suppliers, and ii) transfer of assets to the Group [Note 13(e)].

d) In 2014, the Ultimate Parent Company has charged general and administrative expenses to the Group based on the Group's policy on related party transactions (Note 15).

e) In 2015 and 2014, a related party has transferred certain assets to the Group [Note 6(b)].

14. Trade and other payables

	30 June 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Trade payables	**963**	5,025
Accrued expenses (a)	**663,469**	536,237
Retentions payable (b)	**71,757**	30,915
Provision for employees' end-of-service indemnity (c)	**3,481**	2,440
	739,670	574,617

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

14. Trade and other payables (continued)

a) Included in accrued expenses are costs already incurred on capital work-in-progress amounting to AED 655 million (31 December 2014: AED 475 million) but have not yet been certified as at the reporting period.

b) Retentions payable represents 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 U.A.E. Labour Law, and is based on current remuneration and cumulative years of service as at the reporting date.

15. General and administrative expenses

	Period ended 30 June 2015 AED'000 (Unaudited)	Period ended 30 June 2014 AED'000 (Unaudited)
Salaries and other employee benefits	**27,753**	-
Recruitment expenses	**2,595**	-
Professional and legal expenses	**2,476**	-
Rent	**1,571**	-
Travel expenses	**1,304**	-
Supplies and communication expenses	**1,117**	-
Depreciation [Note 6]	**1,020**	-
Recharged expenses from a related party [Note 13(d)]	**-**	5,159
Other	**2,717**	-
	40,553	5,159

16. Basic and diluted loss per share

a) 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 30 June 2015 (Unaudited)	Period ended 30 June 2014 (Unaudited)
Loss attributable to equity holders of the Company (in AED'000)	**(28,583)**	(5,159)
Number of shares in issue (in '000)*	**6,321,828**	6,321,828
Basic loss per share (in AED)	**(0.005)**	(0.001)

**The denominator for the purpose of calculating basic loss per share for the period ended 30 June 2014 has been adjusted to reflect the issuance of 6.3 billion shares in December 2014.*

Notes to the interim condensed consolidated financial information for the six months period ended 30 June 2015 (continued)

16. Basic and diluted loss per share (continued)

b) Diluted earnings per share is calculated by adjusting the number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 30 June 2015, the Company did not have such dilutive ordinary shares.

17. 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 3.9 billion as at 30 June 2015 (31 December 2014: AED 3.9 billion).

(b) Contingent liabilities

	30 June 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Letters of credit under the name of a related party [Note 13(b)]	**87,423**	97,086
Letters of credit under the name of the Group	**81,379**	-
	168,802	97,086

18. 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.

19. Approval of interim condensed consolidated financial information

The interim condensed consolidated financial information were approved by the Board of Directors and signed for issuance on 11 August 2015.