

2014/11/13

Subject: Settlement agreement with the subsidiaries of Nakheel Company (Dubai)

With reference to the above subject, and to the instructions of Capital Market Authority (CMA) regarding the disclosure of material information No. (C.M.A/R.N.D.I/2/2012), during 2008, subsidiaries of Al Mazaya Holding Company K.S.C. (Holding) made purchase and sale contracts with subsidiary of Nakheel Company (Dubai) to purchase a plot of land in Dubai with an area of 2,615,632 square feet (Two million six hundred fifteen thousand and six hundred thirty two square feet) with a total amount of AED 238,022,512 (Two hundred thirty eight million, twenty two thousand five hundred and twelve Emirati Dirham). The subsidiaries paid an amount of AED 119,011,256 (One hundred nineteen million eleven thousand two hundred fifty six Emirati Dirham), as a part of the purchased land, and the company had an obligation to pay an amount of AED 119,011,256 (One hundred nineteen million eleven thousand two hundred fifty six Emirati Dirham). The company had already taken a provision for the full paid amount, and the provision was included in the company's consolidated financial statements for the year 2011 due to the suspension of payment by the subsidiaries on that time.

Further to what above mentioned, we would like to inform you that the subsidiaries concluded a settlement agreement with the subsidiaries of Nakheel Company (Dubai), where the agreement included restructuring the remaining amounts of the land price amounting to AED 119,011,256 (One hundred nineteen million eleven thousand two hundred fifty six Emirati Dirham) on monthly payments over a period of three years and the payments will be recorded as advance payments for purchase of lands upon settling each payment. Also, the company will reconsider the provision taken in 2011 to determine the need to reverse part or full of the provision according to the assessments to be prepared prior the end of the financial year, which will be included in the company's consolidated financial statements for the year 2014.