CCDC PARCEL B RETAIL CORPORATION (UK) LTD

DIRECTORS' REPORT AND SEPARATE FINANCIAL STATEMENTS

REGISTERED NUMBER 9010331

31 DECEMBER 2014

CCDC PARCEL B RETAIL CORPORATION (UK) LTD

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Directors' report

The directors of CCDC Parcel B Retail Corporation (UK) Ltd present their directors' report and financial statements for the period 24 April 2014 to 31 December 2014.

Principal activities and review of the business

CCDC Parcel B Retail Corporation (UK) Ltd was incorporated as a limited company in England and Wales on 24 April 2014. The registered office of the company is located at 77 Grosvenor Street, London W1K 3JR. The company's principal activity is real estate investment.

CCDC Parcel B Retail Corporation (UK) Ltd holds 90% of the ownership interest in CCDC Retail Parcel B LLC which was registered and incorporated in April 2014. The company is engaged in the development 30,000 square foot of retail space within the hotel development and adjacent to the CityCenterDC mixed use project which is already operational.

The project is currently in pre-construction phase and construction is expected to commence in 2016. The shareholder and the shareholding interest in the company is as follows:

Name of Shareholder	*Interests*
QD US Real Estate Company	100%

Results and dividends

The loss for the period from 24 April 2014 to 31 December 2014 dealt with in the financial statements is US$ 27,368 (2013: US$ Nil).

The directors are satisfied with the financial performance of the Company for the period 24 April 2014 to 31 December 2014 and position as at 31 December 2014.

The directors do not recommend the payment of a dividend in respect of the period 24 April 2014 to 31 December 2014 (2013: US$ Nil)

Directors

The following directors have held office during the financial year and subsequently:
Fabien L Toscano (appointed since 24 April 2014, resigned on 23August 2015)
Stephen J Pettit (appointed since 24 April 2014, resigned on 23 August 2015)
Sean N Reid (appointed since 24 April 2014)
Thierry Boud'hors (appointed since 23 August 2015)

Directors Remuneration

There was no directors remuneration during the period from 24 April 2014 to 31 December 2014.

Staff Numbers and Costs

There were no employees and no indemnity provisions during the period from 24 April 2014 to 31 December 2014.

Political contribution

The company incurred no political expenditure during the period.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Pursuant to Section 487(2) of the Companies Act 2006, Ernst & Young will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

Thierry Boud'hors	**Sean Reid**
Director	Director

Company registration number 9010331

Building a better working world

Ernst & Young - (Qatar Branch)
P.O. Box 164
Burj Al Gassar, 24th floor
Majlis Al Taawon Street, Onaiza
West Bay
Doha, State of Qatar

Tel: +974 4457 4111
Fax: +974 4441 4649
doha@qa.ey.com
ey.com/mena

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CCDC PARCEL B RETAIL CORPORATION (UK) LTD

We have audited the accompanying separate financial statements of CCDC Parcel B Retail Corporation (UK) Ltd (the "Company"), which comprise the separate statement of financial position as at 31 December 2014, and the separate statement of comprehensive income, separate statement of cash flows and separate statement of changes in equity for the period from 24 April 2014 to 31 December 2014, and a summary of significant accounting policies and other explanatory information.

The Management's Responsibility for the Separate Financial Statements
The management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate 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 separate financial statements based on our audit. 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate 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 separate financial statements give a true and fair view of the financial position of the Company as of 31 December 2014, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Ziad Nader
Of Ernst & Young
Auditor's Registration No. 258

Date: 4 December 2015
Doha

ERNST & YOUNG
Doha
محاسبون قانونيون
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CCDC PARCEL B RETAIL CORPORATION (UK) LTD

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the period from 24 April 2014 to 31 December 2014

	Notes	*24 April 2014 to 31 December 2014 US$*
Management fees	6	(31,021)
Legal expenses		(11,840)
Administrative expenses		(2,000)
Bank charges		(344)
Miscellaneous		(241)
OPERATING LOSS		(45,446)
Interest income	6	18,078
LOSS BEFORE INCOME TAX		(27,368)
Income tax expense	5	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(27,368)

The attached notes 1 to 11 form part of these separate financial statements.

CCDC PARCEL B RETAIL CORPORATION (UK) LTD

SEPARATE STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	*2014* *US$*
ASSETS		
Non-current assets		
Investment in a subsidiary	3	525,000
Loan to a related party	6	549,880
		1,074,880
Current asset		
Bank balances		3,019
TOTAL ASSETS		1,077,899
EQUITY AND LIABILITIES		
Equity		
Share capital	4	1,057,802
Accumulated loss		(27,368)
Total equity		1,030,434
Current liabilities		
Amount due to a related party	6	47,022
Other payables		443
Total liabilities		47,465
TOTAL EQUITY AND LIABILITIES		1,077,899

Thierry Boud'hors
Director

Sean Reid
Director

The attached notes 1 to 11 form part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period from 24 April 2014 to 31 December 2014

	Share capital US$	*Accumulated loss US$*	*Total US$*
Issuance of share capital (Note 4)	1,057,802	-	1,057,802
Loss for the period	-	(27,368)	(27,368)
At 31 December 2014	**1,057,802**	**(27,368)**	**1,030,434**

The attached notes 1 to 11 form part of these separate financial statements.

CCDC PARCEL B RETAIL CORPORATION (UK) LTD

SEPARATE STATEMENT OF CASH FLOWS

For the period from 24 April 2014 to 31 December 2014

	Notes	*24 April 2014 to 31 December 2014* *US$*
OPERATING ACTIVITIES		
Loss before tax		**(27,368)**
Adjustment for:		
Interest income	6	**(18,078)**
Operating cash flows before working capital changes		**(45,446)**
Working capital changes:		
Amount due to a related party		**47,022**
Other payables		**443**
Net cash from operating activities		**2,019**
INVESTING ACTIVITIES		
Investment in a subsidiary	3	**(525,000)**
Net movement on loan to a related party		**(531,802)**
Cash used in investing activities		**(1,056,802)**
FINANCING ACTIVITY		
Issuance of share capital	4	**1,057,802**
Cash from financing activity		**1,057,802**
BANK BALANCES AT 31 DECEMBER		**3,019**

The attached notes 1 to 11 form part of these separate financial statements.

1 ACTIVITIES

CCDC Parcel B Retail Corporation (UK) Ltd (the "Company") was incorporated as a limited company in England and Wales on 24 April 2014. The registered office of the Company is located at 77 Grosvenor Street, London W1K 3JR. The Company's principal activity is real estate investment.

These are the first separate financial statements of the Company and include transactions for the period from 24 April 2014 to 31 December 2014.

The shareholder and the shareholding interest in the Company is as follows

Name of the shareholder	*Interests*
QD US Real Estate Company.	100%

The separate financial statements only relate to the activities, assets and liabilities of CCDC Parcel B Retail Corporation (UK) Ltd and do not extend to include any other entities or investments of the Company. The Company has elected not to prepare consolidated financial statements in accordance with the provisions of IFRS 10, as the Company's parent company, QD US Real Estate Company, prepares and issues consolidated financial statements. The copies of the consolidated financial statements are available at Companies House, Crown Way, Cardiff CF14 3UZ.

The separate financial statements of the Company for the period ended 31 December 2014 was authorised for issue by the management on 4 December 2015.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The company separate financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards.

The separate financial statements are presented in United States Dollars ("US$"), which is the Company's functional and presentation currency.

The financial statements are prepared under the historical cost convention.

Standards issued but not yet effective
The following new standards have been issued but are not yet effective. The Company is currently evaluating the impact of these new standards.

Topic	***Effective date***
IFRS 9 Financial Instruments	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests	1 January 2016
Amendments to IAS 16 and IAS 38: Clarifications of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	1 January 2016
Amendments to IAS 27: Equity method in Separate Financial Statements	1 January 2016

The Company has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.

Summary of significant accounting judgments, estimates and policies

Significant accounting judgments
The preparation of the separate financial statements requires the management to make certain judgements that affect the preparation of and the amounts recognised in the separate financial statements. The most significant judgment was to decide on the functional currency of the Company. The primary objective of the company is to generate returns in US$, which is the capital raising currency. Also, the day-to-day activities of the Company are managed and the performance is evaluated in US$. Therefore, the management considers US$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting judgments, estimates and policies (continued)

Use of estimates
The preparation of the Company's separate financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates (see Note 10).

The estimates and underlying assumptions are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting policies

Investments in subsidiaries
The Company's investments in subsidiaries are accounted for under the cost method in the Company's separate financial statements.

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units 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 group of assets.
Where the carrying amount of an asset 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 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 cost to sell, 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.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had not impairment loss been recognized for the asset in prior years. Such reversal is recognized in the separate statement of comprehensive income unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase.

Cash and cash equivalents
Cash and cash equivalents comprise of bank balances with original maturity of three months or less.

Impairment and uncollectibility of financial assets
An assessment is made at the end of each reporting period to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognised in the separate statement of comprehensive income. Impairment is determined as follows:

(a) For assets carried at fair value, impairment is the difference between cost and fair value;
(b) For assets carried at cost, impairment is the difference between cost and thc present value of future cash flows discounted at the current market rate of return for a similar financial asset.
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies (continued)

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

Derecognition of financial assets and liabilities
a)Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and 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 Company's continuing involvement in the asset.

In that case, the Company 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 Company 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 Company could be required to repay.

b) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the separate statement of comprehensive income.

Provisions
Provisions are recognised when the Company 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.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the separate statement of comprehensive income.

Taxation
Income tax expense recognised in the separate statement of comprehensive income represents the tax payable on taxable income for the period in accordance with Tax Laws in the United States of America and United Kingdom. The Company shall pay income tax on the basis of the current rates of taxation as set out in the Laws.

Deferred income tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted at the end of the reporting period.

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

3 INVESTMENT IN A SUBSIDIARY

Name of subsidiary	*Country of incorporation*	*Company's effective shareholding as at 31December2014* %	*Company's cost of investment as at 31 December 2014* US$
CCDC Parcel B Retail Corporation	United States of America	**100%**	**525,000**

The subsidiary's principal place of business is 77 Grosvenor St., London W1K3JR

4 SHARE CAPITAL

The authorized and issued share capital of the Company is US$ 1,057,802 divided into 1,057,802 ordinary shares of US$ 1 par value.

5 INCOME TAX

	2014 *US$*
Loss for the period from 24 April 2014 to 31 December2014	**(27,368)**
Tax at 21%	(5,747)
Group relief surrendered	5,747
Total tax charge/(credit)	-

Group relief is surrendered in accordance with the provisions of Part 5 of the Corporation Tax Act 2010. Where losses exceed amounts surrendered to other members of the QD US Real Estate Group, these losses will be carried forward.

6 RELATED PARTY DISCLOSURES

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

Related party transactions
Transactions with related parties included in the separate statement of comprehensive income are as follows:

	2014 *US$*
Shareholder: QD US Real Estate Company	
Management fees	**31,021**
Subsidiary: CCDC Parcel B Retail Corporation	
Interest income	**18,078**

6 RELATED PARTY DISCLOSURES (CONTINUED)

Related party balances
Balances with related parties included in the statement of financial position were as follows:

	2014 *US$*
Loan to a related party: CCDC Parcel B Retail Corporation	
Loan receivable	**531,802**
Interest receivable on loan	**18,078**
	549,880

The loan to a related party is denominated in US$ started in May 2014. The loan carries an interest of 6.5% and repayable in one lump sum payment after 4 years.

Balances with related parties included in the separate statement of financial position are as follows:

	2014 *US$* *Payables*
Shareholder:	
QD US Real Estate Company	47,022

Terms and conditions of transactions with related parties
Transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash, except for the loan to a related party, which carry interest at market rates. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel
There was no remuneration paid to key management during the period.

7 COMMITMENTS AND CONTINGENCIES

At 31 December 2014, the Company has capital commitments with Hines CCDC Partners – Parcel B L.L.C. amounting to US$41.52 million. These commitments relate to the cost of construction of the CCDC B Retail projects.

8 FINANCIAL RISK MANAGEMENT

Objective and policies
The Company's principal financial liabilities comprises amount due to a related party and other payables. The main purpose of these financial liabilities is to manage the working capital requirements for the Company's operations. The Company has bank balances as financial assets, which arise directly from its operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The management reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk
Interest rate risk arises due to the changes in market interest rates, affecting the floating rate financial instruments of the Company. At the reporting date, the Company had no floating rate financial assets or financial liabilities, on which the Company would be exposed to interest rate risk.

8 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company does not hedge its exposures to currency risk. There are no financial instruments exposed to foreign currency fluctuations at the reporting date.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge a financial obligation and cause the other party to incur a financial loss, and arises from the operations of the Company. The Company's exposure to credit risk is indicated by the carrying amount of its financial assets, which consists primarily of loan to a related party and bank balances.

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks. The Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets in the separate statement of financial position and loans receivable.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation. The Company limits its liquidity risk by ensuring financing facilities are available from its shareholders, through capital calls.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2014, based on contractual payment dates and current market interest rates.

2014	*Less than 1 year US$*	*1 to 5 years US$*	*> 5 years US$*	*Total US$*
Amount due to a related party	47,022	-	-	47,022
Other payables	443	-	-	443
Total	47,465	-	-	47,465

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company 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 period ended 31 December 2014.

Capital comprises share capital and accumulated loss and is measured at 31 December 2014 US$ 1,030,434.

9 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of loan to a related party bank balances. Financial liabilities consist of amount due to a related party and other payables.

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

10 SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS

The preparation of the Company's separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the separate financial statements and certain disclosures. 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 future periods.

10 SIGNIFICANT ASSUMPTIONS, ESTIMATES AND JUDGMENTS (CONTINUED)

Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the separate financial statements have been prepared under the going concern basis.

11 AUDITORS' REMUNERATION

The auditors' remuneration for the audit of the Company for the period ended 31 December 2014 is USD 3,000.