

BOARD OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER 2016

Dear Shareholders,

It is our pleasure to meet you and to present our 43rd Annual Report, which includes the consolidated financial statements for GGICO and its subsidiaries (the Group) as on 31st Dec '16 and group activities and their results.

The Board of Directors adopted a series of procedures to stimulate the performance of the subsidiaries and enhance profitability in line with the changes in the market, and signs of improvement are starting to take place.

The Board of Directors are in active discussion with the Lenders for restructuring of the substantial portion of existing loan facilities. The Board of Directors expect that the Group will meet its funding requirements through restructuring of its substantial existing loan facilities, existing cash and bank balance, and future income generated from operation and sale of investments properties. We have not identified any material uncertainty that may cast significant doubt about the Group's ability to meet its future obligations.

The following are the financial results of the Group:

- **Revenue**
Revenue of the group for the year 2016 is **AED 857** million, as compared to **AED 940** million in the previous year.
- **Expenditure**
Total expenditure, which consists of Administrative expenses, Distribution expenses and Provisions for the group is **AED 333** million for the year 2016, compared to **AED 374** million in the year 2015.
- **Net Loss**
The Group is reporting a loss of **AED 98** million during the year 2016 as compared to profit of **AED 20** million for the year 2015. The main reason for loss is due to provisions.
- **Assets**
The total assets of the Group amounted to **AED 6** billion for the year 2016 as compared to **AED 6.1** billion in the year 2015.
- **Shareholders Equity**
Shareholders equity, including the minority interest, is **AED 1.19** billion for the year 2016, as compared to **AED 1.26** billion in the year 2015.

The main objective of the Board of Directors is the benefit of Group as well as its shareholders. Hence, we are working hard to carefully assess the investments of the Group and to assure continued profit for the coming years and enhance the value of the group investments.

We thank all shareholders and the Government authorities for their support towards our company.

We thank all the Group Management and all the staff and auditors for their contributions and cooperation.



CHAIRMAN

