

**Gulf General Investments  
Co. PSC and its subsidiaries**

Condensed consolidated interim  
financial information (unaudited)  
*30 June 2015*

# Gulf General Investments Co. PSC and its subsidiaries

Condensed consolidated interim financial information (unaudited)

30 June 2015

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## Independent auditors' report on review of condensed consolidated interim financial information

The Shareholders  
Gulf General Investments Co. PSC

### *Introduction*

We have reviewed the accompanying 30 June 2015 condensed consolidated interim financial information of Gulf General Investments Co. PSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2015;
- the condensed consolidated statement of profit or loss for three month and six month period ended 30 June 2015;
- the condensed consolidated statement of other comprehensive income for three month and six month period ended 30 June 2015;
- the condensed consolidated statement of cash flows for the six month period ended 30 June 2015;
- the condensed consolidated statement of changes in equity for the six month period ended 30 June 2015; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on this condensed consolidated interim 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 30 June 2015 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

KPMG Lower Gulf Limited  
Muhammad Tariq  
Registration No: 793  
Dubai, United Arab Emirates

11 AUG 2015

# Gulf General Investments Co. PSC and its subsidiaries

## Condensed consolidated statement of financial position

as at 30 June 2015

		<b>30 June 2015 AED '000 (Unaudited)</b>	31 December 2014 AED '000 (Audited)
	<i>Note</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>447,611</b>	450,572
Investment properties	6	<b>2,369,966</b>	2,255,341
Goodwill		<b>11,500</b>	11,500
Investments in associate and joint ventures	7	<b>248,117</b>	301,511
Investments in securities	8	<b>76,995</b>	79,532
Trade and other receivables	11	<b>308,346</b>	352,343
		-----	-----
		<b>3,462,535</b>	3,450,799
		=====	=====
<b>Current assets</b>			
Properties held for development and sale	9	<b>618,085</b>	607,878
Inventories	10	<b>76,006</b>	94,238
Due from related parties	15	<b>232,033</b>	189,626
Trade and other receivables	11	<b>851,795</b>	811,287
Re-insurance contract assets		<b>219,890</b>	192,139
Investments in securities	8	<b>296,115</b>	359,190
Cash in hand and at bank	12	<b>426,357</b>	408,018
		-----	-----
		<b>2,720,281</b>	2,662,376
		-----	-----
<b>Total assets</b>		<b>6,182,816</b>	6,113,175
		=====	=====

# Gulf General Investments Co. PSC and its subsidiaries

## Condensed consolidated statement of financial position (continued) as at 30 June 2015

		30 June 2015 AED '000 (Unaudited)	31 December 2014 AED '000 (Audited)
	<i>Note</i>		
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	1,791,333	1,791,333
Legal reserve		28,752	28,752
Additional reserve		7,068	7,068
Land revaluation reserve		37,747	37,747
Cumulative change in fair value of investments measured at fair value through other comprehensive income		(33,736)	(30,680)
Accumulated losses		(757,311)	(754,678)
<b>Equity attributable to owners of the Company</b>		<b>1,073,853</b>	<b>1,079,542</b>
Non-controlling interests		287,065	304,886
<b>Total equity</b>		<b>1,360,918</b>	<b>1,384,428</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits		38,064	36,860
Finance lease		15,120	15,941
Long term portion of borrowings	16	2,167,652	2,172,229
Trade and other payables		257,040	278,933
		<b>2,477,876</b>	<b>2,503,963</b>
<b>Current liabilities</b>			
Due to related parties	15	404,484	447,332
Insurance contract liabilities		413,421	360,082
Finance lease		8,837	8,422
Trade and other payables		899,000	773,479
Short term borrowings	16	618,280	635,469
		<b>2,344,022</b>	<b>2,224,784</b>
<b>Total liabilities</b>		<b>4,821,898</b>	<b>4,728,747</b>
<b>Total equity and liabilities</b>		<b>6,182,816</b>	<b>6,113,175</b>

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial information.

The condensed consolidated interim financial information was authorised for issue by and on behalf of the Board of Directors on

11 AUG 2015

Mohamed Abdulla Al Sari  
Group Managing Director & CEO

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

# Gulf General Investments Co. PSC and its subsidiaries

Condensed consolidated statement of profit or loss (unaudited)  
for the six month period ended 30 June 2015

	Note	Six month period ended 30 June		Three month period ended 30 June	
		2015 AED '000	2014 AED '000	2015 AED '000	2014 AED '000
<b>Revenue</b>		<b>528,153</b>	706,442	<b>253,702</b>	361,362
Cost of sales		<b>(399,596)</b>	(568,822)	<b>(196,166)</b>	(294,291)
<b>Gross profit</b>		<b>128,557</b>	137,620	<b>57,536</b>	67,071
Administrative and general expenses	17	<b>(121,188)</b>	(139,228)	<b>(65,133)</b>	(80,942)
Selling and distribution expenses		<b>(10,493)</b>	(10,314)	<b>(5,348)</b>	(5,311)
Other income		<b>6,179</b>	35,527	<b>3,383</b>	27,401
Change in fair value of investments in securities - net	8	<b>(16,459)</b>	73,303	<b>4,173</b>	45,275
Gain on sale of investments in securities		<b>3,479</b>	8,936	<b>3,479</b>	2,808
Change in fair value of investment properties	6	<b>62,309</b>	-	-	-
Finance cost		<b>(54,864)</b>	(50,976)	<b>(27,101)</b>	(24,842)
Share of (loss)/ gain in associates and joint ventures	7	<b>(2,260)</b>	(649)	<b>3,193</b>	(161)
<b>(Loss)/ profit for the period</b>		<b>(4,740)</b>	54,219	<b>(25,818)</b>	31,299
<i>(Loss)/ profit attributable to:</i>					
Owners of the Company		<b>(17)</b>	10,596	<b>(22,401)</b>	3,762
Non-controlling interests		<b>(4,723)</b>	43,623	<b>(3,417)</b>	27,537
		<b>(4,740)</b>	54,219	<b>(25,818)</b>	31,299
<b>Earnings per share - Basic</b>					
<b>(AED Fils per share)</b>	19	<b>(0.001)</b>	0.591	<b>(1.251)</b>	0.210

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

# Gulf General Investments Co. PSC and its subsidiaries

Condensed consolidated statement of other comprehensive income (unaudited)  
for the six month period ended 30 June 2015

	Note	Six month period ended 30 June		Three month period ended 30 June	
		2015 AED '000	2014 AED '000	2015 AED '000	2014 AED '000
(Loss)/ profit for the period		<b>(4,740)</b> -----	54,219 -----	<b>(25,818)</b> -----	31,299 -----
<b>Other comprehensive income:</b>					
<i>Items that will never be reclassified to profit or loss:</i>					
Share in other comprehensive income of associates and joint ventures		<b>(2,298)</b>	-	<b>(28)</b>	-
Change in fair value of investments in securities - net (FVOCI)	8	<b>(3,056)</b>	-	<b>(2,137)</b>	-
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Change in fair value of investments in securities - net		- -----	(822) -----	- -----	(172) -----
<b>Other comprehensive income for the period</b>		<b>(5,354)</b> -----	(822) -----	<b>(2,165)</b> -----	(172) -----
<b>Total comprehensive income for the period</b>		<b>(10,094)</b> =====	53,397 =====	<b>(27,983)</b> =====	31,127 =====
<i>Total comprehensive income attributable to:</i>					
Owners of the Company		<b>(5,371)</b>	9,774	<b>(24,566)</b>	3,590
Non-controlling interests		<b>(4,723)</b> -----	43,623 -----	<b>(3,417)</b> -----	27,537 -----
<b>Total comprehensive income for the period</b>		<b>(10,094)</b> =====	53,397 =====	<b>(27,983)</b> =====	31,127 =====

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.

# Gulf General Investments Co. PSC and its subsidiaries

## Condensed consolidated statement of cash flows (unaudited)

for the six month period ended 30 June 2015

		Six month period ended 30 June	
	Note	2015 AED '000	2014 AED '000
<b>Operating activities</b>			
(Loss)/profit for the period		(4,740)	54,219
<i>Adjustments for:</i>			
Provision for employees' end of service benefits		1,204	2,694
Change in fair value of investment properties	6	(62,309)	-
Gain on sale of investment in securities	8	(3,479)	(8,936)
Change in fair value of investments in securities	8	16,459	(73,303)
Gain on sale of properties held for development and sale		(3,507)	-
Share of loss in associates and joint ventures	7	2,260	649
Finance cost		54,864	50,976
		-----	-----
		752	26,299
Change in inventories		18,232	8,467
Change in trade and other receivables		3,489	274,012
Change in due from related parties		(42,407)	(3,803)
Change in trade and other payables		103,628	(173,212)
Change in due to related parties		(42,848)	41,329
Change in reinsurance contract assets		(27,751)	(33,749)
Change in insurance contract liabilities		53,339	45,431
Purchase of investment properties	6	(53,710)	(7,663)
Purchase of properties held for development and sale	9	(40,983)	(31,367)
Purchase of investments in securities	8	(3,984)	(19,938)
Proceeds from sale of investments in securities		53,560	75,324
Proceeds from sale of properties held for development and sale		35,677	149,560
		-----	-----
<b>Net cash generated from operating activities</b>		<b>56,994</b>	<b>350,690</b>
		-----	-----
<b>Investing activities</b>			
Change in fixed deposits		82,010	37,236
Net movement in property, plant and equipment		2,961	8,174
Proceeds from sale of investment in associates and joint ventures		48,836	-
		-----	-----
<b>Net cash generated from investing activities</b>		<b>133,807</b>	<b>45,410</b>
		-----	-----
<b>Financing activities</b>			
Dividend paid to non-controlling interests		(12,816)	(10,748)
Net movement in bank borrowings		(21,766)	(203,641)
Net movement in finance lease		(406)	(5,281)
Directors fees paid by a subsidiary		(600)	(600)
Interest paid		(54,864)	(50,976)
		-----	-----
<b>Net cash used in financing activities</b>		<b>(90,452)</b>	<b>(271,246)</b>
		-----	-----
<b>Net increase in cash and cash equivalents</b>		<b>100,349</b>	<b>124,854</b>
Cash and cash equivalents at the beginning of the period		74,940	52,547
		-----	-----
<b>Cash and cash equivalents at the end of the period</b>	<i>14</i>	<b>175,289</b>	<b>177,401</b>
		=====	=====

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial information.

The independent auditors' report on review of condensed consolidated interim financial information is set out on page 1.



# Gulf General Investments Co. PSC and its subsidiaries

## Condensed consolidated statement of changes in equity

for the six month period ended 30 June 2015

	Share capital AED '000	Legal reserve AED '000	Additional reserve AED '000	Land revaluation reserve AED '000	Cumulative change in fair value of investments AED '000	Cumulative change in fair value of investments measured at fair value through other comprehensive income AED '000	Accumulated losses AED '000	Attributable to owners of the Company AED '000	Non – controlling interests AED '000	Total AED '000
<b>Balance at 1 January 2014 (audited)</b>	1,791,333	7,068	7,068	37,747	(109,171)	-	(739,916)	994,129	299,265	1,293,394
<b>Total comprehensive income for the period (unaudited)</b>										
Profit for the period	-	-	-	-	-	-	10,596	10,596	43,623	54,219
Other comprehensive income	-	-	-	-	-	(822)	-	(822)	-	(822)
<b>Total comprehensive income</b>	-	-	-	-	-	(822)	10,596	9,774	43,623	53,397
<b><i>Contribution by and distribution to the owners of the Company</i></b>										
Dividend paid	-	-	-	-	-	-	-	-	(10,748)	(10,748)
<b><i>Other movements</i></b>										
Change in fair value of investments measured at fair value through other comprehensive income – reclassified to accumulated losses on disposal	-	-	-	-	-	(1,672)	1,672	-	-	-
Director's fees paid by a subsidiary	-	-	-	-	-	-	(318)	(318)	(282)	(600)
Transferred to accumulated losses	-	-	-	-	-	83,512	(83,512)	-	-	-
Upon adoption of IFRS 9 (refer to note 3)	-	-	-	-	109,171	(109,171)	-	-	-	-
<b>At 30 June 2014 (unaudited)</b>	<u>1,791,333</u>	<u>7,068</u>	<u>7,068</u>	<u>37,747</u>	<u>-</u>	<u>(28,153)</u>	<u>(811,478)</u>	<u>1,003,585</u>	<u>331,858</u>	<u>1,335,443</u>

# Gulf General Investments Co. PSC and its subsidiaries

## Condensed consolidated statement of changes in equity *(continued)*

for the six month period ended 30 June 2015

	Share capital AED '000	Legal reserve AED '000	Additional reserve AED '000	Land revaluation reserve AED '000	Cumulative change in fair value of investments AED '000	Cumulative change in fair value of investments measured at fair value through other comprehensive income AED '000	Accumulated losses AED '000	Attributable to owners of the Company AED '000	Non – controlling interests AED '000	Total AED '000
<b>Balance at 1 January 2015 (audited)</b>	1,791,333	28,752	7,068	37,747	-	(30,680)	(754,678)	1,079,542	304,886	1,384,428
<b>Total comprehensive income for the period (unaudited)</b>										
Profit for the period	-	-	-	-	-	-	(17)	(17)	(4,723)	(4,740)
Other comprehensive income	-	-	-	-	-	(3,056)	(2,298)	(5,354)	-	(5,354)
<b>Total comprehensive income</b>	-	-	-	-	-	(3,056)	(2,315)	(5,371)	(4,723)	(10,094)
<i>Contribution by and distribution to the owners of the Company</i>										
Dividend paid	-	-	-	-	-	-	-	-	(12,816)	(12,816)
<b>Other movements</b>										
Director's fees paid by a subsidiary	-	-	-	-	-	-	(318)	(318)	(282)	(600)
<b>At 30 June 2015 (unaudited)</b>	<b>1,791,333</b>	<b>28,752</b>	<b>7,068</b>	<b>37,747</b>	<b>-</b>	<b>(33,736)</b>	<b>(757,311)</b>	<b>1,073,853</b>	<b>287,065</b>	<b>1,360,918</b>

No allocation of profit has been made to the legal reserve for the six month period ended 30 June 2015 as it would be effected at the year-end.

The accompanying notes 1 to 21 are an integral part of these condensed consolidated interim financial information.

# Gulf General Investments Co. PSC and its subsidiaries

## Notes to the condensed consolidated interim financial information

for the six month period ended 30 June 2015 (unaudited)

### 1 Reporting entity

Gulf General Investments Co. PSC ("the Company") is incorporated under Emiri Decree No. 2/73 dated 27 July 1973 as a Public Shareholding Company. The duration of the Company is ninety nine years commencing from the date of issuance of the above Emiri Decree. The registered address of the Company is P. O. Box: 22588, Dubai, United Arab Emirates. The Company is listed on the Dubai Financial Market.

The condensed consolidated interim financial information as at and for the six month period ended 30 June 2015 ("the current period") comprise of the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in associates and joint ventures.

The principal activities of the Group are to act as a real estate agent, manufacturing, retail trading and provision of real estate development, financial, hospitality and other services.

### 2 Basis of preparation

#### *Statement of compliance*

The condensed consolidated interim financial information as at and for the six month period ended 30 June 2015 has been prepared in accordance with the International Accounting Standard ("IAS") 34, 'Interim Financial Reporting' issued by the International Accounting Standards Board. This does not include all of the information required for a complete set of International Financial Reporting Standards ("IFRS") financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

#### *Accounting estimates and judgements*

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as to those that were applied in the preparation of the consolidated financial statements of the Group as at and for the year ended 31 December 2014.

### 3 Significant accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial information are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2014.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 3 Significant accounting policies (continued)

### New standards, interpretations and amendments adopted by the Group

#### Early adoption of IFRS 9: Financial Instruments

During the previous period, the Group resolved to early adopt IFRS 9: Financial Instruments (2010) for financial assets effective 1 January 2014. All financial assets on or after 1 January 2014 were accounted for by applying the provisions of IFRS 9. IFRS 9 requires that an entity classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Until 1 January 2014, the Group applied the provisions of IAS 39: Financial instruments Recognition and Measurement for accounting its financial assets.

#### Impact of early adoption of IFRS 9

On early adoption of IFRS 9, there had been no significant impact on the Group's financial position. As per the transitional provisions of IFRS 9, the Group had elected not to restate comparative information. As at 31 December 2013, the Group's investments were classified as follows:

##### *Available-for-sale investments:*

The fair value of investments classified as available-for-sale under IAS 39 amounted to AED 183.88 million which on adoption of IFRS 9 effective 1 January 2014 had been classified as investments measured at fair value through other comprehensive income.

Further, an amount of AED 109.17 million representing change in fair value of available for-sale investments was recognized under cumulative changes in fair value of available-for-sale investments under equity as per IAS 39 which on adoption of IFRS 9 effective 1 January 2014 had been classified as cumulative changes in fair value of investments measured at fair value through other comprehensive income. Also refer note 8.

##### *Held-to-maturity investments:*

The carrying value of investments classified as held to maturity under IAS 39 amounted to AED 6.7 million. On adoption of IFRS 9 effective 1 January 2014, the Group had reassessed the business objective and cash flow characteristics of these investments and reclassified these to investments measured at fair value through profit or loss. Also refer note 8.

##### *Held for trading investments:*

The fair value of investments classified as held for trading under IAS 39 amounted to AED 386.87 million which on adoption of IFRS 9 effective 1 January 2014 had been reclassified as investments measured at fair value through profit or loss. Also refer note 8.

##### *Other financial assets*

After the adoption of IFRS 9, all other financial assets continued to be measured at amortised cost, and there were no reclassifications to or from the amortised cost measurement category. These financial assets were also included in the same line items in the statement of financial position as at 31 December 2013.

##### *Financial liabilities*

After the adoption of IFRS 9, all financial liabilities continued to be measured at amortised cost, and there were no reclassifications to or from the amortised cost measurement category. These financial liabilities were also included in the same line items in the statement of financial position as at 31 December 2013.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 4 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including currency risk, equity price risk, and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

There has been no change in the risk management policies since the year end.

## 5 Liquidity risk factors

The Group monitors its risk of a possible shortage of funds using cash flow forecasts. These forecasts consider the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## 6 Investment properties

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
Opening balance	<b>2,255,341</b>	2,280,852
Additions during the period/ year	<b>53,710</b>	8,878
Transfer from property, plant and equipment	-	238,670
Transfer to investments in associate and joint venture	-	(17,000)
Transfer to properties held for development and sale (refer to note 9)	<b>(1,394)</b>	(385,126)
Change in fair value (refer note (i) below)	<b>62,309</b>	129,067
Closing balance	<b>2,369,966</b>	2,255,341

- (i) During the six month period ended 30 June 2015, based on the valuation of certain properties determined by external, qualified and independent Chartered Surveyors and Property Consultants in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014 Edition) and the International Valuation Standards Council (IVSC) International Valuations Standards (2013 Edition), the Directors of the Company are of the opinion that the fair value of the investment properties exceeds its carrying value by AED 62.31 million which has been recognised as a fair value gain in profit or loss.

For the remaining properties, the Directors' of the Company are of the opinion that there is no significant change in fair value of these investment properties as compared to the previous valuation carried out as at 31 December 2014.

The fair value measurement of these properties has been categorised as a Level 3 fair value based on the inputs of valuation technique used.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 6 Investment properties (continued)

- (ii) Certain investment properties are mortgaged to banks towards credit facilities granted to the Group.
- (iii) During the six month period ended 30 June 2015, apartments/ buildings and plots of land amounting to AED 1.39 million (2014: AED 385.12 million) have been transferred from investment properties to properties held for development and sale. This transfer has been made to appropriately present the asset for its intended use.

## 7 Investments in associates and joint ventures

The Group's share of loss in associates and joint ventures for the six month period ended 30 June 2015 amounted to AED 2.26 million (six month period ended 30 June 2014: AED 0.65 million).

During the six month period ended 30 June 2015, the Group has sold 13.38% of its investment in Union Insurance Co. PSC ("the associate") to a related party at an agreed price (refer to note 15).

## 8 Investments in securities

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
<i>Investments measured at fair value through other comprehensive income ("FVOCI")</i>		
Opening balance	<b>79,532</b>	-
Additions during the period/ year	<b>519</b>	18,286
Change in fair value during the period/ year	<b>(3,056)</b>	(1,180)
Reclassified from available-for-sale investments (refer to note 3)	-	183,880
Disposal during the period/ year	-	(57,674)
Reclassified to investment in associates and joint ventures	-	(63,780)
	-----	-----
Closing balance	<b>76,995</b>	79,532
	=====	=====
<i>Investments measured at fair value through profit or loss ("FVTPL")</i>		
Opening balance	<b>359,190</b>	-
Additions during the period/ year	<b>3,465</b>	88,508
Disposals during the period/ year	<b>(50,081)</b>	(113,182)
Change in fair value of option (refer note below)	<b>(35,000)</b>	-
Change in fair value during the period/ year	<b>18,541</b>	37,620
Reclassified from held to maturity investments (refer to note 3)	-	6,698
Reclassified from held for trading investments (refer to note 3)	-	386,865
Reclassified to investment in associates and joint ventures	-	(47,319)
	-----	-----
Closing balance	<b>296,115</b>	359,190
	=====	=====

Certain investments are mortgaged to banks and financial institution towards credit facilities granted to the Group.

During the previous year, the Group had entered into an arrangement with a third party to sell its entire holdings in one of its overseas listed investments classified as FVTPL ("Put option"). The option has expired and has not been exercised, consequently management has valued the fair value of option at Nil and a marked to market loss has been recognised through profit or loss.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 9 Properties held for development and sale

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
Opening balance	<b>607,878</b>	409,982
Transferred from investment properties (refer to note 6)	<b>1,394</b>	385,126
Additions during the period/ year	<b>40,983</b>	146,348
Disposals during the period/ year	<b>(32,170)</b>	(328,578)
Write down to net realisable value	-	(5,000)
	-----	-----
Closing balance	<b>618,085</b>	607,878
	=====	=====

During the six month period ended 30 June 2015, the Directors' of the Company have reviewed the carrying value of properties held for development and sale and are of the opinion that there is no significant change in fair value of properties held for development and sale as compared to the previous valuation carried out as at 31 December 2014. Accordingly, no allowance for impairment has been recognised in profit or loss.

Properties held for development and sale also include properties transferred from investment properties pursuant to change related to intention to sell these properties.

## 10 Inventories

Certain inventories along with assignment of insurance policies against those inventories are hypothecated to banks against credit facilities granted to the Group.

## 11 Trade and other receivables

Trade and other receivables include notes receivable which represent post-dated cheques received from the buyers of properties held for development and sale. Management has performed an impairment assessment on the future collectability of these notes receivable and has concluded that no allowance for impairment is required as these cheques are expected to be realised in the normal course of business.

## 12 Cash in hand and at bank

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
Cash in hand	<b>5,566</b>	2,394
Cash at bank		
- in current accounts	<b>72,058</b>	58,442
- in fixed deposits	<b>348,733</b>	347,182
	-----	-----
	<b>426,357</b>	408,018
	=====	=====

Fixed deposits include AED 283 million (2014: AED 317 million) held under lien (also refer to note 14) against facilities granted to the Group and also include a deposit amounting to AED 10.3 million (2014: AED 10.3 million) maintained in accordance with the requirements of U.A.E. Federal Law No. 6 of 2007 concerning the formation of Insurance Authority of U.A.E. and is not available to finance day to day operations of the Group.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 13 Share capital

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
<i>Authorised, issued and paid up</i>		
1,791 million shares of AED 1 each paid up in cash	<b>1,791,333</b> =====	1,791,333 =====

## 14 Cash and cash equivalents

	<b>Six month period ended 30 June</b>	
	<b>2015 AED'000 (Unaudited)</b>	2014 AED'000 (Unaudited)
Cash in hand	<b>5,566</b>	2,705
Cash at bank		
- in current accounts	<b>72,058</b>	132,211
- in fixed deposits	<b>348,733</b>	336,055
	<b>426,357</b>	470,971
<i>Less:</i>		
Fixed deposits with maturity over three months	<b>(251,068)</b>	(293,570)
	<b>175,289</b> =====	177,401 =====

## 15 Transactions with related parties

The Group in the ordinary course of business, enters into transaction with other business enterprises that fall within the definition of a related party as contained in International Accounting Standard 24. Pricing policies and terms of transactions with related parties are mutually agreed.

Significant transactions carried out with related parties during the period, other than those disclosed elsewhere in the condensed consolidated interim financial information, are as follows:

	<b>Six month period ended 30 June</b>	
	<b>2015 AED'000 (Unaudited)</b>	2014 AED'000 (Unaudited)
Sale of investment in associate (refer to note 7)	<b>48,836</b>	-
Revenue	<b>7,156</b>	-
Sale of properties held for development and sale	<b>6,146</b>	-
Purchase of services	<b>555</b>	2,302
Purchase of property, plant and equipment	<b>127</b>	-
	<b>====</b>	<b>====</b>
<i>Compensation to key management personnel:</i>		
Salaries and benefits	<b>4,714</b> =====	5,011 =====



# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 15 Transactions with related parties (continued)

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
<b>Due from related parties:</b>		
Associates and joint ventures	<b>25,951</b>	12,123
Other related parties	<b>206,082</b>	177,503
	-----	-----
	<b>232,033</b>	189,626
	=====	=====
<b>Due to related parties:</b>		
Associates and joint ventures	<b>91,920</b>	86,744
Other related parties	<b>312,564</b>	360,588
	-----	-----
	<b>404,484</b>	447,332
	=====	=====

## 16 Borrowings

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
<b>(i) Short term</b>		
Bank overdrafts	<b>285,079</b>	275,231
Trust receipts	<b>68,541</b>	68,700
Current portion of term loans (refer note (ii) below)	<b>264,660</b>	291,538
	-----	-----
	<b>A 618,280</b>	635,469
	=====	=====
<b>(ii) Term loans</b>		
At 1 January	<b>2,463,767</b>	2,798,061
Less: repaid during the period/ year	<b>(31,455)</b>	(334,294)
	-----	-----
At 31 December	<b>2,432,312</b>	2,463,767
Less: current portion of term loans	<b>(264,660)</b>	(291,538)
	-----	-----
Long term portion of term loans	<b>B 2,167,652</b>	2,172,229
	=====	=====
Total borrowings	<b>A + B 2,785,932</b>	2,807,698
	=====	=====

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 16 Borrowings (continued)

	<b>30 June 2015 AED'000 (Unaudited)</b>	31 December 2014 AED'000 (Audited)
<i>Total borrowings comprise of:</i>		
Restructured loan	<b>2,263,361</b>	2,288,481
Other borrowings	<b>522,571</b>	519,217
	<b>----- 2,785,932 =====</b>	<b>----- 2,807,698 =====</b>

The details of the term loans including terms of repayment, interest rate and securities provided are disclosed in the consolidated financial statements of the Group for the year ended 31 December 2014.

## 17 Administrative and general expenses

	<b>Six month period ended 30 June</b>		<b>Three month period ended 30 June</b>	
	<b>2015 AED'000 (Unaudited)</b>	2014 AED'000 (Unaudited)	<b>2015 AED'000 (Unaudited)</b>	2014 AED'000 (Unaudited)
<i>These include:</i>				
Staff costs	<b>51,897</b>	50,121	<b>26,785</b>	23,728
Legal and professional fee	<b>9,505</b>	16,817	<b>6,179</b>	11,104
Rent	<b>7,247</b>	9,467	<b>3,287</b>	4,903
Depreciation	<b>6,526</b>	11,002	<b>3,210</b>	4,955
Repairs and maintenance	<b>2,703</b>	4,241	<b>1,613</b>	1,865
Telephone, postal and office supplies	<b>2,079</b>	1,079	<b>1,307</b>	377
	<b>=====</b>	=====	<b>=====</b>	=====

## 18 Financial instruments/ fair value hierarchy

### (i) Financial instruments

Financial assets of the Group include investments in securities, due from related parties, re-insurance contract assets, trade and other receivables and cash in hand and at bank. Financial liabilities of the Group include borrowings, due to related parties, insurance contract liabilities, trade and other payables and finance lease liabilities. The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and comparative period:

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 18 Financial instruments/ fair value hierarchy (continued)

### (i) Financial instruments (continued)

	Designated as fair value through profit or loss AED' 000	Designated as fair value through other comprehensive income AED' 000	Others at amortised cost AED' 000	Carrying amount AED' 000	Fair value AED' 000
<b>30 June 2015</b>					
<b>(Unaudited)</b>					
<i>Financial assets</i>					
Investments in securities	296,115	76,995	-	373,110	373,110
Due from related parties	-	-	232,033	232,033	232,033
Re-insurance contract assets	-	-	219,890	219,890	219,890
Trade and other receivables	-	-	1,160,141	1,160,141	1,160,141
Cash in hand and at bank	-	-	426,357	426,357	426,357
	-----	-----	-----	-----	-----
	296,115	76,995	2,038,421	2,411,531	2,411,531
	=====	=====	=====	=====	=====
<i>Financial liabilities</i>					
Borrowings	-	-	2,785,932	2,785,932	2,785,932
Due to related parties	-	-	404,484	404,484	404,484
Insurance contract liabilities	-	-	413,421	413,421	413,421
Trade and other payables	-	-	1,156,040	1,156,040	1,156,040
Finance lease liabilities	-	-	23,957	23,957	23,957
	----	----	-----	-----	-----
			4,783,834	4,783,834	4,783,834
	====	====	=====	=====	=====
<b>31 December 2014</b>					
<b>(Audited)</b>					
<i>Financial assets</i>					
Investments in securities	359,190	79,532	-	438,722	438,722
Due from related parties	-	-	189,626	189,626	189,626
Re-insurance contract assets	-	-	192,139	192,139	192,139
Trade and other receivables	-	-	1,163,630	1,163,630	1,163,630
Cash in hand and at bank	-	-	408,018	408,018	408,018
	-----	-----	-----	-----	-----
	359,190	79,532	1,953,413	2,392,135	2,392,135
	=====	=====	=====	=====	=====
<i>Financial liabilities</i>					
Borrowings	-	-	2,807,698	2,807,698	2,807,698
Due to related parties	-	-	447,332	447,332	447,332
Insurance contract liabilities	-	-	360,082	360,082	360,082
Trade and other payables	-	-	1,052,412	1,052,412	1,052,412
Finance lease liabilities	-	-	24,363	24,363	24,363
	----	----	-----	-----	-----
	-	-	4,691,887	4,691,887	4,691,887
	====	====	=====	=====	=====

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 18 Financial instruments/ fair value hierarchy (continued)

### (ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<b>30 June 2015 (Unaudited)</b>			
<i>Financial assets</i>			
<b>Investments measured at fair value through other comprehensive income</b>			
Quoted equity investments	65,393	-	-
Unquoted equity investments	-	-	11,602
	-----	-----	-----
	65,393	-	11,602
	=====	=====	=====
<b>Investments measured at fair value through profit or loss</b>			
Quoted equity investments	227,675	-	-
Unquoted equity investments	-	-	68,440
	-----	-----	-----
	227,675	-	68,440
	=====	=====	=====
<b>31 December 2014 (Audited)</b>			
<i>Financial assets</i>			
<b>Investments measured at fair value through other comprehensive income</b>			
Quoted equity investments	67,268	-	-
Unquoted equity investments	-	-	12,264
	-----	-----	-----
	67,268	-	12,264
	=====	=====	=====
<b>Investments measured at fair value through profit or loss</b>			
Quoted equity investments	257,745	-	35,000
Unquoted equity investments	-	-	66,445
	-----	-----	-----
	257,745	-	101,445
	=====	=====	=====

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 18 Financial instruments/ fair value hierarchy (continued)

### (ii) Fair value hierarchy (continued)

During the six month period ended 30 June 2015, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements (2014: Nil).

The fair value of unquoted equity investments has been determined by external, qualified and independent valuer who has experience in equity investments valuations.

## 19 Earnings per share

	Six month period ended	
	30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Net (loss)/ profit attributable to owners of the Company (AED'000)	(17)	10,596
	====	=====
Number of shares outstanding ('000)	1,791,333	1,791,333
	=====	=====
Earnings per share - Basic (AED Fils per share)	(0.001)	0.591
	=====	=====

There was no dilution effect on the basic earnings per share as the Company does not have any such outstanding commitment as at the reporting date.

## 20 Contingent liabilities and commitments

### Guarantees

The Company has issued corporate guarantees for loans and advances from commercial banks obtained by related and third parties including subsidiaries, joint ventures and associates.

### Litigations

- (a) Certain claims and contingent liabilities may arise during the normal course of business. The Board of Directors review these on a regular basis as and when such claims are received and each case is treated according to its merit. Based on the terms of the relevant contract and circumstances, the Group determines if a counter claim should be lodged. Based on the opinion of the Group's independent legal counsel as at 31 December 2014 and information presently available, the Board of Directors have assessed that the final outcome of outstanding legal claims (initial judgement in some cases is in favour and in some cases against the Group) cannot be reliably determined considering these cases are sub-judice. Accordingly, no additional provision/liability has been recognised as at 30 June 2015 (2014: AED Nil). The Group has elected not to present the complete disclosures as required by IAS 37 "Provision and Contingent Liabilities and Contingent Assets" as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 20 Contingent liabilities and commitments (continued)

- (b) The Group had a receivable from an associate company and advance received against sale of certain property from an entity being an SPV of this associate company. The Group had obtained an independent legal opinion from an external lawyer which confirms that the Group may have its option (at its sole decision) to commercially set-off advance with the receivable for like for like parties. The Board of Directors have reviewed the status of the legal proceedings and the above legal advice and have concluded that Group will exercise its option (at Group's sole decision) and will choose commercially to set-off the payable with the receivable as the entities involved will qualify for like for like parties. Accordingly, the Group have set off the advance received from the SPV of the associate company against the receivable from the associate company.

## 21 Segment reporting

The internal management reports which are prepared under IFRS are reviewed by the Board of Directors based on the different sectors in which the Group operates. The Group has identified the following different sectors as its basis of segmentation:

<i>Manufacturing</i>	Includes manufacture and sale of oil, lubricants, grease, prefab houses, concrete, carpentry, restaurant, ovens, kitchens and central air conditioning systems.
<i>Investments</i>	Includes investments in real estate properties and equity securities.
<i>Services and others</i>	Service and other operations include writing of insurance and various other services including hospitality.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are regular transactions between the segments and any such transaction is priced on mutually agreed terms.

# Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

## 21. Segment information (continued)

	Manufacturing		Investments		Services and others		Inter-segment		Total	
	30 June 2015 AED'000	31 Dec 2014 AED'000	30 June 2015 AED'000	31 Dec 2014 AED'000	30 June 2015 AED'000	31 Dec 2014 AED'000	30 June 2015 AED'000	31 Dec 2014 AED'000	30 June 2015 AED'000	31 Dec 2014 AED'000
<i>(Unaudited)</i>										
Segment assets	<b>565,504</b>	549,278	<b>4,320,679</b>	4,347,359	<b>638,240</b>	637,039	<b>658,393</b>	579,499	<b>6,182,816</b>	6,113,175
Segment liabilities	<b>416,869</b>	394,195	<b>3,035,017</b>	3,071,246	<b>628,358</b>	561,233	<b>741,654</b>	702,073	<b>4,821,898</b>	4,728,747
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
	<b>30 June 2015 AED'000</b>	30 June 2014 AED'000	<b>30 June 2015 AED'000</b>	30 June 2014 AED'000	<b>30 June 2015 AED'000</b>	30 June 2014 AED'000	<b>30 June 2015 AED'000</b>	30 June 2014 AED'000	<b>30 June 2015 AED'000</b>	30 June 2014 AED'000
<i>(Unaudited)</i>										
Revenue	<b>217,642</b>	211,042	<b>29,752</b>	169,857	<b>280,759</b>	325,543	-	-	<b>528,153</b>	706,442
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment result from operations	<b>8,653</b>	7,720	<b>50,456</b>	14,975	<b>(8,985)</b>	82,500	-	-	<b>50,124</b>	105,195
Finance cost	<b>(7,446)</b>	(7,424)	<b>(42,717)</b>	(38,644)	<b>(4,701)</b>	(4,908)	-	-	<b>(54,864)</b>	(50,976)
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Profit/ (loss) for the period	<b>1,207</b>	296	<b>7,739</b>	(23,669)	<b>(13,686)</b>	77,592	-	-	<b>(4,740)</b>	54,219
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====