

Gulf General Investments
Co. PSC and its subsidiaries

Condensed consolidated interim
financial information (unaudited)
30 September 2015

Gulf General Investments Co. PSC and its subsidiaries

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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 September 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 September 2015;
- the condensed consolidated statement of profit or loss for three month and nine month period ended 30 September 2015;
- the condensed consolidated statement of other comprehensive income for three month and nine month period ended 30 September 2015;
- the condensed consolidated statement of cash flows for the nine month period ended 30 September 2015;
- the condensed consolidated statement of changes in equity for the nine month period ended 30 September 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 September 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

12 NOV 2015

Gulf General Investments Co. PSC and its subsidiaries

Condensed consolidated statement of financial position as at 30 September 2015

		30 September 2015 AED '000 (Unaudited)	31 December 2014 AED '000 (Audited)
	<i>Note</i>		
Assets			
Non-current assets			
Property, plant and equipment		442,709	450,572
Investment properties	6	2,371,299	2,255,341
Goodwill		11,500	11,500
Investments in associate and joint ventures	7	247,903	301,511
Investments in securities	8	79,312	79,532
Trade and other receivables	11	286,557	352,343
		<u>3,439,280</u>	<u>3,450,799</u>
Current assets			
Properties held for development and sale	9	539,935	607,878
Inventories	10	74,625	94,238
Due from related parties	15	171,461	189,626
Trade and other receivables	11	896,426	811,287
Re-insurance contract assets	16	197,388	192,139
Investments in securities	8	250,985	359,190
Cash in hand and at bank	12	404,852	408,018
		<u>2,535,672</u>	<u>2,662,376</u>
Total assets		<u>5,974,952</u>	<u>6,113,175</u>

Gulf General Investments Co. PSC and its subsidiaries

Condensed consolidated statement of financial position (continued)

as at 30 September 2015

		30 September 2015 AED '000 (Unaudited)	31 December 2014 AED '000 (Audited)
	Note		
Equity and liabilities			
Equity			
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		(30,891)	(30,680)
Accumulated losses		(809,847)	(754,678)
Equity attributable to owners of the Company		1,024,162	1,079,542
Non-controlling interests		266,379	304,886
Total equity		1,290,541	1,384,428
Non-current liabilities			
Employees' end of service benefits		38,217	36,860
Finance lease		13,966	15,941
Long term portion of borrowings	17	2,121,742	2,172,229
Trade and other payables		-	278,933
		2,173,925	2,503,963
Current liabilities			
Due to related parties	15	380,261	447,332
Insurance contract liabilities	16	385,301	360,082
Finance lease		9,175	8,422
Trade and other payables		1,144,563	773,479
Short term borrowings	17	591,186	635,469
		2,510,486	2,224,784
Total liabilities		4,684,411	4,728,747
Total equity and liabilities		5,974,952	6,113,175

The accompanying notes 1 to 22 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

12 NOV 2015
Mohamed Abdulla Al Sari
Group Managing Director & CEO

Ahmad Yousuf Habib Al Yousuf
Director

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 nine month period ended 30 September 2015

		Nine month period ended 30 September		Three month period ended 30 September	
		2015	2014	2015	2014
	Note	AED '000	AED '000	AED '000	AED '000
Revenue		851,005	1,085,733	322,852	379,291
Cost of sales		(645,869)	(889,780)	(246,273)	(320,958)
Gross profit		205,136	195,953	76,579	58,333
Administrative and general expenses	18	(194,333)	(212,538)	(73,145)	(73,311)
Selling and distribution expenses		(15,249)	(15,146)	(4,756)	(4,832)
Other income		8,975	56,064	2,796	20,537
Change in fair value of investments in securities - net	8	(62,093)	118,596	(45,634)	45,293
Gain on sale of investments in securities		3,479	8,939	-	3
Change in fair value of investment properties	6	62,309	-	-	-
Finance cost		(82,798)	(73,910)	(27,934)	(22,934)
Share in (loss)/ profit of associates and joint ventures	7	(901)	5,153	1,359	5,802
(Loss)/ profit for the period		(75,475)	83,111	(70,735)	28,891
<i>(Loss)/ profit attributable to:</i>					
Owners of the Company		(50,980)	24,941	(50,963)	14,345
Non-controlling interests		(24,495)	58,170	(19,772)	14,546
		(75,475)	83,111	(70,735)	28,891
Earnings per share - Basic					
(AED Fils per share)	20	(2.85)	1.39	(2.84)	0.8

The accompanying notes 1 to 22 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 nine month period ended 30 September 2015

	Note	Nine month period ended 30 September		Three month period ended 30 September	
		2015 AED '000	2014 AED '000	2015 AED '000	2014 AED '000
(Loss)/ profit for the period		(75,475)	83,111	(70,735)	28,891
Other comprehensive income:					
<i>Items that will never be reclassified to profit or loss:</i>					
Share in other comprehensive income of associates		(3,871)	-	(1,573)	-
Change in fair value of investments in securities - net	8	(211)	-	2,845	-
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Change in fair value of investments in securities - net		-	3,354	-	4,176
Other comprehensive income for the period		(4,082)	3,354	1,272	4,176
Total comprehensive income for the period		(79,557)	86,465	(69,463)	33,067
<i>Total comprehensive income attributable to:</i>					
Owners of the Company		(55,062)	28,295	(49,691)	18,521
Non-controlling interests		(24,495)	58,170	(19,772)	14,546
Total comprehensive income for the period		(79,557)	86,465	(69,463)	33,067

The accompanying notes 1 to 22 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 nine month period ended 30 September 2015

		Nine month period ended 30 September	
		2015	2014
	Note	AED '000	AED '000
Operating activities			
(Loss)/ profit for the period		(75,475)	83,111
<i>Adjustments for:</i>			
Provision for employees' end of service benefits		1,357	4,192
Change in fair value of investment properties	6	(62,309)	-
Gain on sale of investment in securities	8	(3,479)	(8,939)
Change in fair value of investments in securities	8	62,093	(118,596)
Gain on sale of properties held for development and sale		(3,507)	17,133
Share in loss/ (profit) of associates and joint ventures	7	901	(5,153)
Finance cost		82,798	73,910
Operating profit before working capital changes		2,379	45,658
Change in inventories		19,613	23,286
Change in trade and other receivables		(19,353)	351,162
Change in due from related parties		18,165	(99,917)
Change in trade and other payables		92,151	(188,319)
Change in due to related parties		(67,071)	36,431
Change in reinsurance contract assets		(5,249)	(33,941)
Change in insurance contract liabilities		25,219	56,296
Purchase of investment properties	6	(55,043)	(44,038)
Purchase of properties held for development and sale	9	(56,541)	(48,171)
Purchase of investments in securities	8	(4,534)	(35,159)
Proceeds from sale of investments in securities		54,134	75,748
Proceeds from sale of properties held for development and sale		129,385	263,945
Net cash generated from operating activities		133,255	402,981
Investing activities			
Change in fixed deposits		156,606	134,236
Net movement in property, plant and equipment		7,863	6,863
Proceeds from sale of investment in associates and joint ventures		48,836	1,750
Net cash generated from investing activities		213,305	142,849
Financing activities			
Dividend paid to non-controlling interests		(13,730)	(12,118)
Net movement in bank borrowings		(94,770)	(290,235)
Net movement in finance lease		(1,222)	(6,330)
Directors fees paid by a subsidiary		(600)	(600)
Interest paid		(82,798)	(73,910)
Net cash used in financing activities		(193,120)	(383,193)
Net increase in cash and cash equivalents		153,440	162,637
Cash and cash equivalents at the beginning of the period		74,940	52,547
Cash and cash equivalents at the end of the period	14	228,380	215,184

The accompanying notes 1 to 22 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 nine month period ended 30 September 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
Balance at 1 January 2014 (audited)	1,791,333	7,068	7,068	37,747	(109,171)	-	(739,916)	994,129	299,265	1,293,394
Total comprehensive income for the period (unaudited)	-	-	-	-	-	-	24,941	24,941	58,170	83,111
Profit for the period	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	3,354	-	3,354	-	3,354
Total comprehensive income	-	-	-	-	-	3,354	24,941	28,295	58,170	86,465
Contributions by and distribution to the owners of the Company	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(12,118)	(12,118)
Other movements	-	-	-	-	-	(1,950)	1,950	-	-	-
Change in fair value of investments measured at fair value through other comprehensive income – reclassified to accumulated losses	-	-	-	-	-	-	(318)	(318)	(282)	(600)
Directors' fees paid by a subsidiary	-	-	-	-	-	-	(83,512)	-	-	-
Transferred to accumulated losses (refer to note 7)	-	-	-	-	-	-	-	-	-	-
Upon early adoption of IFRS 9 (refer to note 4)	-	-	-	-	109,171	(109,171)	-	-	-	-
At 30 September 2014 (unaudited)	1,791,333	7,068	7,068	37,747	-	(24,255)	(796,855)	1,022,106	345,035	1,367,141

Gulf General Investments Co. PSC and its subsidiaries

Condensed consolidated statement of changes in equity (continued) for the nine month period ended 30 September 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
Balance at 1 January 2015 (audited)	1,791,333	28,752	7,068	37,747	-	(30,680)	(754,678)	1,079,542	304,886	1,384,428
Total comprehensive income for the period (unaudited)	-	-	-	-	-	-	(50,980)	(50,980)	(24,495)	(75,475)
Loss for the period	-	-	-	-	-	(211)	(3,871)	(4,082)	-	(4,082)
Other comprehensive income	-	-	-	-	-	(211)	(54,851)	(55,062)	(24,495)	(79,557)
Total comprehensive income	-	-	-	-	-	-	-	-	-	-
Contributions by and distribution to the owners of the Company	-	-	-	-	-	-	-	-	(13,730)	(13,730)
Dividend paid	-	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	(318)	(318)	(282)	(600)
Directors' fees paid by a subsidiary	-	-	-	-	-	-	-	-	-	-
At 30 September 2015 (unaudited)	1,791,333	28,752	7,068	37,747	-	(30,891)	(809,847)	1,024,162	266,379	1,290,541

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

The accompanying notes 1 to 22 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 nine month period ended 30 September 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 nine month period ended 30 September 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 nine month period ended 30 September 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

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Opening balance	2,255,341	2,280,852
Additions during the period/ year	55,043	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)	(1,394)	(385,126)
Change in fair value (refer note (i) below)	62,309	129,067
Closing balance	2,371,299	2,255,341

- (i) During the nine month period ended 30 September 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 the 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 nine month period ended 30 September 2015, apartments/ buildings and plots of land amounting to AED 1.39 million (2014: AED 385.13 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 nine month period ended 30 September 2015 amounted to AED 0.9 million (nine month period ended 30 September 2014: share of profit of AED 5.15 million).

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

8 Investments in securities	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
<i>Investments measured at fair value through other comprehensive income ("FVOCI")</i>		
Opening balance	79,532	-
Additions during the period/ year	565	18,286
Change in fair value during the period/ year	(211)	(1,180)
Reclassified from available-for-sale investments (refer to note 3)	-	183,880
Disposal during the period/ year	(574)	(57,674)
Reclassified to investment in associates and joint ventures	-	(63,780)
Closing balance	79,312	79,532
<i>Investments measured at fair value through profit or loss ("FVTPL")</i>		
Opening balance	359,190	-
Additions during the period/ year	3,969	88,508
Disposals during the period/ year	(50,081)	(113,182)
Change in fair value of option (refer note below)	(35,000)	-
Change in fair value during the period/ year	(27,093)	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	250,985	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"). During the period ended 30 September 2015, 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

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Opening balance	607,878	409,982
Transferred from investment properties (refer to note 6)	1,394	385,126
Additions during the period/ year	56,541	146,348
Disposals during the period/ year	(125,878)	(328,578)
Write down to net realisable value	-	(5,000)
Closing balance	<u>539,935</u>	<u>607,878</u>

During the nine month period ended 30 September 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 write down 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

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Cash in hand	6,860	2,394
Cash at bank		
- in current accounts	50,508	58,442
- in fixed deposits	347,484	347,182
	<u>404,852</u>	<u>408,018</u>

Fixed deposits include AED 305 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.

Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

13	Share capital	30 September 2015 AED'000 (Unaudited)	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	1,791,333	1,791,333

14	Cash and cash equivalents	Nine month period ended 30 September 2015 AED'000 (Unaudited)	2014 AED'000 (Unaudited)
	Cash in hand	6,860	2,988
	Cash at bank		
	- in current accounts	50,508	70,442
	- in fixed deposits	347,484	338,324
		404,852	411,754
	Less: Fixed deposits with maturity over three months	(176,472)	(196,570)
		228,380	215,184

15 Balance and 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:

	Nine month period ended 30 September 2015 AED'000 (Unaudited)	2014 AED'000 (Unaudited)
Sale of investment in associate (refer to note 7)	48,836	-
Gross premium	11,926	10,627
Rental revenue	10,720	-
Sale of properties held for development and sale	7,061	-
Claims paid	2,008	1,210
Purchase of services	832	1,120
Purchase of property, plant and equipment	127	3,870
Sale of a subsidiary to the Company's Director at book value	-	5,782
<i>Compensation to key management personnel:</i>		
Salaries and benefits	7,098	7,236

Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

15 Balance and transactions with related parties (continued)

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Due from related parties		
Associates and joint ventures	19,637	12,123
Other related parties	151,824	177,503
	<u>171,461</u>	<u>189,626</u>
Due to related parties		
Associates and joint ventures	92,645	86,744
Other related parties	287,616	360,588
	<u>380,261</u>	<u>447,332</u>

16 Reinsurance contract assets and insurance contract liabilities

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
Gross		
Insurance contract liabilities		
Claims reported unsettled	(220,743)	(196,214)
Claims incurred but not reported	(16,368)	(17,478)
Unearned premiums	(148,190)	(146,390)
Total insurance contract liabilities (gross)	<u>(385,301)</u>	<u>(360,082)</u>
Recoverable from insurers		
Claims reported unsettled	151,258	141,949
Unearned premiums	46,130	50,190
	<u>197,388</u>	<u>192,139</u>
Net		
Claims reported unsettled	(69,485)	(54,265)
Claims incurred but not reported	(16,368)	(17,478)
Unearned premiums	(102,060)	(96,200)
	<u>(187,913)</u>	<u>(167,943)</u>

Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

17 Borrowings

	30 September 2015 AED'000 (Unaudited)	31 December 2014 AED'000 (Audited)
(i) Short term		
Bank overdrafts	252,995	275,231
Trust receipts	62,716	68,700
Current portion of term loans (refer note (ii) below)	275,475	291,538
	(A)	
	<u>591,186</u>	<u>635,469</u>
(ii) Term loans		
At 1 January	2,463,767	2,798,061
Less: repaid during the period/ year	(66,550)	(334,294)
	<u>2,397,217</u>	<u>2,463,767</u>
At 30 September/ 31 December	2,397,217	2,463,767
Less: current portion of term loans	(275,475)	(291,538)
	<u>2,121,742</u>	<u>2,172,229</u>
Long term portion of term loans	(B)	
	<u>2,121,742</u>	<u>2,172,229</u>
Total borrowings	(A + B)	
	<u>2,712,928</u>	<u>2,807,698</u>

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.

18 Administrative and general expenses

	Nine month period ended 30 September		Three month period ended 30 September	
	2015 AED'000 (Unaudited)	2014 AED'000 (Unaudited)	2015 AED'000 (Unaudited)	2014 AED'000 (Unaudited)
<i>These include:</i>				
Staff costs	77,583	68,697	25,685	18,576
Legal and professional fee	16,802	17,248	7,298	431
Rent	11,474	13,181	4,227	3,714
Depreciation	9,728	15,321	3,202	4,319
Repairs and maintenance	3,696	6,822	993	2,581
Telephone, postal and office supplies	3,227	3,096	1,149	2,017

Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

19 Financial instruments/ fair value hierarchy

(i) Financial instruments

Financial assets of the Group include investments in securities, amounts 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, amounts 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:

	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
30 September 2015					
(Unaudited)					
<i>Financial assets</i>					
Investments in securities	250,985	79,312	-	330,297	330,297
Due from related parties	-	-	171,461	171,461	171,461
Re-insurance contract assets	-	-	197,388	197,388	197,388
Trade and other receivables	-	-	1,182,983	1,182,983	1,182,983
Cash in hand and at bank	-	-	404,852	404,852	404,852
	<u>250,985</u>	<u>79,312</u>	<u>1,956,684</u>	<u>2,286,981</u>	<u>2,286,981</u>
<i>Financial liabilities</i>					
Borrowings	-	-	2,712,928	2,712,928	2,712,928
Due to related parties	-	-	380,261	380,261	380,261
Insurance contract liabilities	-	-	385,301	385,301	385,301
Trade and other payables	-	-	1,150,265	1,150,265	1,150,265
Finance lease liabilities	-	-	23,141	23,141	23,141
	<u>-</u>	<u>-</u>	<u>4,651,896</u>	<u>4,651,896</u>	<u>4,651,896</u>
31 December 2014					
(Audited)					
<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
	<u>359,190</u>	<u>79,532</u>	<u>1,953,413</u>	<u>2,392,135</u>	<u>2,392,135</u>
<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
	<u>-</u>	<u>-</u>	<u>4,691,887</u>	<u>4,691,887</u>	<u>4,691,887</u>

Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

19 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
30 September 2015 (Unaudited)			
<i>Financial assets</i>			
Investments measured at fair value through other comprehensive income			
Quoted equity investments	67,722	-	-
Unquoted equity investments	-	-	11,590
	<u>67,722</u>	<u>-</u>	<u>11,590</u>
Investments measured at fair value through profit or loss			
Quoted equity investments	182,359	-	-
Unquoted equity investments	-	-	68,626
	<u>182,359</u>	<u>-</u>	<u>68,626</u>
31 December 2014 (Audited)			
<i>Financial assets</i>			
Investments measured at fair value through other comprehensive income			
Quoted equity investments	67,268	-	-
Unquoted equity investments	-	-	12,264
	<u>67,268</u>	<u>-</u>	<u>12,264</u>
Investments measured at fair value through profit or loss			
Quoted equity investments	257,745	-	35,000
Unquoted equity investments	-	-	66,445
	<u>257,745</u>	<u>-</u>	<u>101,445</u>

Gulf General Investments Co. PSC and its subsidiaries

Notes (continued)

19 Financial instruments/ fair value hierarchy (continued)

(ii) Fair value hierarchy (continued)

During the nine month period ended 30 September 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 is determined periodically by an external qualified and independent expert.

20 Earnings per share

	Nine month period ended 30 September	
	2015 (Unaudited)	2014 (Unaudited)
Net (loss)/ profit attributable to owners of the Company (AED'000)	(50,980)	24,941
Number of shares outstanding ('000)	1,791,333	1,791,333
Earnings per share – Basic (AED Fils per share)	(2.85)	1.39

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.

21 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 September 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)

21 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.

22 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.

Notes (continued)

	Manufacturing			Investments			Services and others			Inter-segment			Total
	30 September 2015	31 December 2014	30 September 2015	30 September 2015	31 December 2014	30 September 2015	30 September 2015	31 December 2014	30 September 2015	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
(Unaudited)													
Segment assets	544,129	549,278	4,245,881	4,347,359	608,629	637,039	576,313	579,499	5,974,952	6,113,175			
Segment liabilities	398,795	394,195	2,974,712	3,071,246	630,639	561,233	680,265	702,073	4,684,411	4,728,747			
(Unaudited)													
Revenue	304,554	405,534	105,562	291,078	440,889	389,121	-	-	851,005	1,085,733			
Segment result from operations	5,627	(1,534)	6,008	7,596	(4,312)	150,959	-	-	7,323	157,021			
Finance cost	(7,146)	(11,216)	(68,643)	(56,591)	(7,009)	(6,103)	-	-	(82,798)	(73,910)			
Profit/(loss) for the period	(1,519)	(12,750)	(62,635)	(48,995)	(11,321)	144,856	-	-	(75,475)	83,111			