

Union Properties
Public Joint Stock Company
and its Subsidiaries

Interim condensed consolidated
financial information (unaudited)
30 September 2015

Union Properties Public Joint Stock Company and its Subsidiaries

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Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information

The Shareholders
Union Properties PJSC

Introduction

We have reviewed the accompanying 30 September 2015 interim condensed consolidated financial information of Union Properties PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

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

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated 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 interim condensed consolidated 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

09 NOV 2015

Union Properties Public Joint Stock Company and its Subsidiaries

Interim condensed consolidated statement of profit or loss (unaudited)
for the nine month period ended 30 September 2015

		Nine month period ended 30 September	
	<i>Note</i>	2015 AED'000	2014 AED'000
Property management and sales revenue	14	60,503	83,481
Contracting and other operating activities	14	413,618	469,388
Gain on sale of investment properties	7(i)	68,018	115,859
Share in profit of joint ventures	5	40,436	18,968
Gain on valuation of properties	7(ii)	271,109	922,865
Finance income		18,135	11,174
Other income	6	32,523	111,272
Total income		904,342	1,733,007
Direct costs	14	(559,460)	(760,997)
Administrative and general expenses	14	(93,321)	(87,698)
Finance expense	14	(93,387)	(50,434)
Profit for the period attributable to the shareholders of the Company		158,174	833,878
Basic and diluted earnings per share (AED) (for the period)	12	0.043	0.225

The notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

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

Union Properties Public Joint Stock Company and its Subsidiaries

Interim condensed consolidated statement of profit or loss (unaudited) (continued)
for the nine month period ended 30 September 2015

	Note	Three month period ended 30 September	
		2015 AED'000	2014 AED'000
Property management and sales revenue	14	22,099	19,057
Contracting and other operating activities	14	153,109	162,563
Gain on sale of investment properties	7(i)	-	37,922
Share in profit of joint ventures	5	4,805	11,802
Gain on valuation of properties	7(ii)	133,156	211,300
Finance income		6,706	741
Other income	6	8,087	2,288
Total income		327,962	445,673
Direct costs	14	(173,804)	(269,513)
Administrative and general expenses		(30,317)	(30,687)
Finance expense		(13,182)	(17,547)
Profit for the period attributable to the shareholders of the Company		110,659	127,926
Basic and diluted earnings per share (AED) (for the period)	12	0.030	0.034

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Union Properties Public Joint Stock Company and its Subsidiaries

Interim condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

for the nine month period ended 30 September 2015

	Nine month period ended 30 September		Three month period ended 30 September	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Profit for the period	158,174	833,878	110,659	127,926
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	158,174	833,878	110,659	127,926

The notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

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


Union Properties Public Joint Stock Company and its Subsidiaries


Interim condensed consolidated statement of financial position (unaudited)

at 30 September 2015

	Note	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2014 AED'000
ASSETS				
Non-current assets				
Intangible assets		295	295	295
Property, plant and equipment		96,201	103,178	105,769
Investment properties	7	5,677,959	5,907,879	5,745,075
Development properties	8	42,832	49,423	50,189
Investment in joint ventures	5	577,135	561,699	549,766
Non-current receivables	9	462,114	170,344	160,689
		<u>6,856,536</u>	<u>6,792,818</u>	<u>6,611,783</u>
Current assets				
Other investments	11	111,974	237,878	220,657
Inventories		30,805	31,013	32,614
Contract work-in-progress		361,443	481,777	545,232
Trade and other receivables	9	556,810	562,948	662,557
Due from related parties	10	29,467	7,465	7,680
Cash in hand and at bank		335,022	385,245	298,331
		<u>1,425,521</u>	<u>1,706,326</u>	<u>1,767,071</u>
Total assets		<u><u>8,282,057</u></u>	<u><u>8,499,144</u></u>	<u><u>8,378,854</u></u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		3,711,959	3,535,199	3,535,199
Treasury shares		(4,998)	(4,998)	(4,998)
Statutory reserve		262,044	262,044	175,545
General reserve		313,697	313,697	313,697
Retained earnings		767,896	892,538	952,921
Total equity attributable to the shareholders of the Company		<u>5,050,598</u>	<u>4,998,480</u>	<u>4,972,364</u>
Non-current liabilities				
Long-term bank loans		1,396,616	1,436,060	1,423,754
Advances from sale of properties		52,684	84,127	82,217
Non-current payables		3,900	5,200	6,107
Provision for staff terminal benefits		63,513	70,972	74,766
		<u>1,516,713</u>	<u>1,596,359</u>	<u>1,586,844</u>
Current liabilities				
Trade and other payables		1,337,382	1,445,721	1,495,384
Advances and deposits		176,064	222,990	154,963
Due to related parties	10	-	16,239	8,635
Short-term bank borrowings		173,607	197,755	146,264
Current portion of long-term bank loans		27,693	21,600	14,400
		<u>1,714,746</u>	<u>1,904,305</u>	<u>1,819,646</u>
Total liabilities		<u>3,231,459</u>	<u>3,500,664</u>	<u>3,406,490</u>
Total equity and liabilities		<u><u>8,282,057</u></u>	<u><u>8,499,144</u></u>	<u><u>8,378,854</u></u>

The notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.


Director


General Manager

09 NOV 2015

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

Union Properties Public Joint Stock Company and its Subsidiaries

Interim condensed consolidated statement of cash flows (unaudited) for the nine month period ended 30 September 2015

	Nine month period ended 30 September	
	2015 AED'000	2014 AED'000
Operating activities		
Profit for the period	158,174	833,878
<i>Adjustments for:</i>		
Depreciation	12,194	10,117
Gain on sale of investment properties	(68,018)	(115,859)
Gain on valuation of properties	(271,109)	(922,865)
Share in profit of joint ventures	(40,436)	(18,968)
Gain on disposal of property, plant and equipment	-	(410)
Finance income	(18,135)	(11,174)
Finance expense	93,387	50,434
<i>Operating loss before working capital changes</i>	(133,943)	(174,847)
Change in non-current receivables	(291,770)	(60,039)
Change in inventories	208	(1,370)
Change in contract work-in-progress	120,334	(178,729)
Change in trade and other receivables	475,894	195,294
Change in due from related parties	(22,002)	2,412
Change in non-current payables	(1,300)	543
Change in trade and other payables	(59,464)	154,051
Change in advances and deposits	(46,926)	(18,267)
Change in due to related parties	(16,239)	6,669
Change in staff terminal benefits (net)	(7,459)	(5,813)
<i>Net cash generated from/(used in) operating activities</i>	17,333	(80,096)
Investing activities		
Additions to property, plant and equipment	(8,869)	(3,362)
Additions to investment properties	(25,862)	(41,934)
Dividend income	25,000	-
Proceeds from disposal of property, plant and equipment	-	410
Proceeds from sale of investment properties	60,377	171,849
Interest income	18,135	11,174
Change in other investments	125,904	(29,670)
Change in deposit with banks	(8,864)	(17,340)
<i>Net cash generated from investing activities</i>	185,821	91,127
Financing activities		
Net movement in long-term bank loans	(33,351)	-
Net movement from trust receipts	17,228	-
Dividends paid	(106,056)	-
Interest paid	(92,637)	(48,634)
Change in advances from sale of properties	-	(26,076)
<i>Net cash used in financing activities</i>	(214,816)	(74,710)
Net decrease in cash and cash equivalents	(11,662)	(63,679)
Cash and cash equivalents at the beginning of the period	143,951	122,998
Cash and cash equivalents at the end of the period	132,289	59,319

The notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

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

Union Properties Public Joint Stock Company and its Subsidiaries

Interim condensed consolidated statement of changes in equity (unaudited) for the nine month period ended 30 September 2015

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	General reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2014 (audited)	3,366,857	(4,998)	175,545	313,697	287,385	4,138,486
Total comprehensive income for the period	-	-	-	-	833,878	833,878
Issuance of bonus share	168,342	-	-	-	(168,342)	-
At 30 September 2014 (unaudited)	3,535,199	(4,998)	175,545	313,697	952,921	4,972,364
At 1 January 2015 (audited)	3,535,199	(4,998)	262,044	313,697	892,538	4,998,480
Total comprehensive income for the period	-	-	-	-	158,174	158,174
Issuance of bonus share	176,760	-	-	-	(176,760)	-
Dividend declared and paid	-	-	-	-	(106,056)	(106,056)
At 30 September 2015 (unaudited)	3,711,959	(4,998)	262,044	313,697	767,896	5,050,598

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

The notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Union Properties Public Joint Stock Company and its Subsidiaries

Notes

(forming part of the interim condensed consolidated financial information)

1 Legal status and principal activities

Union Properties Public Joint Stock Company (“the Company”) was incorporated on 28 October 1993 as a public joint stock company by a United Arab Emirates Ministerial decree. The Company’s registered office address is P.O. Box 24649, Dubai, United Arab Emirates (“UAE”).

The principal activities of the Company are investment in and development of properties, the management and maintenance of its own properties including the operation of cold stores, the undertaking of property related services on behalf of other parties (including related parties) and acting as the holding company of its subsidiaries and investing in joint ventures.

The Company and its subsidiaries are collectively referred to as “the Group”. Most of the Group’s significant business and investment activities in land, properties, securities and financial derivatives are carried out within the UAE. The Group does not have significant foreign currency exposure towards land, properties, securities and financial derivatives.

2 Basis of preparation and significant accounting policies

These interim condensed consolidated financial information have been prepared in accordance with the International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The interim condensed consolidated financial information of the Group, presented in UAE Dirhams (“AED”), which is also the Group’s functional currency, rounded to the nearest thousand, have been prepared under the historical cost convention except in respect of investment properties, derivative financial instruments and investment in marketable securities, which are stated at fair values.

The interim condensed consolidated financial information are to be read in conjunction with the latest audited consolidated financial statements of the Group for the year ended 31 December 2014.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014.

3 Significant accounting estimates and judgements

The preparation of interim condensed consolidated 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 expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial information, 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 those that applied to the consolidated financial statements for the year ended 31 December 2014.

4 Financial risk management

The Group’s financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

5 Share of profit of joint ventures

During the nine month period ended 30 September 2015, the Group's share of profit in Properties Investment LLC amounted to AED 20.8 million (30 September 2014: AED 5.6 million) and its share of profit in Emirates District Cooling LLC amounted to AED 19.6 million (30 September 2014: AED 13.4 million).

6 Other income

Other income of the previous period mainly represented positive saving of AED 100 million on account of liabilities settlement with the contractors for certain projects.

7 Investment properties

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2014 AED'000
Opening balance	5,907,879	5,092,655	5,092,655
Additions during the period/year	25,862	82,467	41,934
Gain on fair valuation (refer note (ii) below)	271,109	1,044,370	922,865
Transfer from development properties	-	766	-
Sale of investment properties (refer note (i) below)	(526,891)	(312,379)	(312,379)
Closing balance	<u>5,677,959</u>	<u>5,907,879</u>	<u>5,745,075</u>

The fair value measurement for investment properties has been categorized as a level 3 fair value based on the inputs to the valuation technique used. For different level of fair value hierarchy refer note 13.

- (i) During the nine month period ended 30 September 2015, the Group has sold various investment properties with carrying value of AED 526.9 million (30 September 2014: AED 312.4 million) resulting in a net gain of AED 68 million (30 September 2014: AED 115.9 million).
- (ii) The Group follows the fair value model under IAS 40 (Revised 2003) where investment property defined as land and buildings owned for the purpose of generating rental income or capital appreciation, or both, are fair valued based on an open market valuation carried out by an independent registered valuer, ValuStrat Consulting FZCO, who carried out the valuation in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors.

The Directors of the Company have reviewed the fair value of investment properties as of 30 September 2015 and are of the opinion that there is no change of the fair value as compared to 30 June 2015 valuation, except for the valuation gain that was recorded for a plot of land in Motorcity with an amount of AED 133.3 million. The fair value gain for this land has been computed after the recent change in the affection plan taking into consideration the change in use for this land.

The fair values have been determined by taking into consideration the discounted cash flow revenues. In this regard, the Group's current lease arrangements, which are entered into on an arm's length basis and which are comparable to those for similar properties in the same location, have been taken into account.

Fair values have also been determined, where relevant, having regard to recent market transactions for similar properties in the same location as the Group's investment properties.

Based on the valuation, a fair value gain of AED 271.1 million (30 September 2014: AED 922.9 million) has been recognized in the interim condensed consolidated statement of profit or loss.

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

8 Development properties

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2014 AED'000
Opening balance	49,423	80,926	80,926
Cost of properties sold	(6,591)	(30,737)	(30,737)
Transfer to investment properties	-	(766)	-
	<u>42,832</u>	<u>49,423</u>	<u>50,189</u>

The management carries out a detailed review of its development properties portfolio at each reporting date. The Directors of the Company have reviewed the carrying value of development properties and are of the opinion that there is no impairment in the carrying value of development properties. Accordingly, no impairment loss has been recognized in the statement of profit or loss for the nine month period ended 30 September 2015.

9 Trade and other receivables

The ageing of trade/contract and retention receivables (including non-current receivables) at the reporting date is as follows:

	Unaudited 30 September 2015		Audited 31 December 2014		Unaudited 30 September 2014	
	Gross AED '000	Provision AED '000	Gross AED '000	Provision AED '000	Gross AED '000	Provision AED '000
Not Past Due	569,653	-	37,471	-	54,790	-
Past due 1-90 days	186,718	-	37,649	-	55,553	34
Past due 91-365 days	183,460	5,160	120,603	11,207	126,367	27,206
More than one year	1,763,791	1,763,791	2,000,464	1,760,379	2,016,742	1,746,425
	<u>2,703,622</u>	<u>1,768,951</u>	<u>2,196,187</u>	<u>1,771,586</u>	<u>2,253,452</u>	<u>1,773,665</u>

The Board of Directors and management believe that existing provision for doubtful debts is adequate and consider that the balance amounts are fully recoverable.

The movement in the provision for doubtful debts in respect of trade/contract receivables during the period/year is as follows:

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2014 AED'000
At 1 January	1,771,586	1,770,137	1,770,137
Provision for the period/year	785	2,420	3,528
Amounts written off/provision reversed during the period/year	(3,420)	(971)	-
Closing balance	<u>1,768,951</u>	<u>1,771,586</u>	<u>1,773,665</u>

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

10 Transactions with related parties

The Group, in the normal course of business, enters into transactions with other enterprises, which fall within the definition of a related party contained in IAS 24. Such transactions are carried out at agreed rates. The transactions with related parties, other than those already disclosed separately elsewhere in the interim condensed consolidated financial information are as follows:

	Unaudited 30 September 2015 AED'000	Unaudited 30 September 2014 AED'000
Project management income and income from contracts	-	1,581
Interest expenses	46	27,050
Compensation to key management personnel are as follows :		
- Salaries and other short-term employee benefits	4,190	5,320
- Provision towards staff terminal benefits	231	190
	<u> </u>	<u> </u>

11 Investments at fair value through profit and loss

During the nine month period ended 30 September 2015, the Group made an additional investment of AED 1.9 million and sold various financial instruments with fair value of AED 128.1 million. As at 30 September 2015, the market value amounts to AED 108.1 million (31 December 2014: 227.2 million) resulting into a fair value gain of AED 0.34 million for the nine month period ended 30 September 2015. This fair value gain is recognized in the consolidated statement of profit or loss, as these investments are held for short term purposes. The Group have also earned an interest income of AED 2.77 million from these investments. The group also has investment in real estate fund of 3.8 million (30 September 2014: 3.8 million).

12 Basic and diluted earnings per share

	Unaudited Nine month period ended 30 September		Unaudited Three month period ended 30 September	
	2015	2014	2015	2014
Net profit attributable to shareholders (AED'000)	158,174	833,878	110,659	127,926
Weighted average number of shares	3,711,959,373	3,711,959,373	3,711,959,373	3,711,959,373
Basic and diluted earnings per share (AED)	<u>0.043</u>	<u>0.225</u>	<u>0.030</u>	<u>0.034</u>

For recalculating the earnings per share for the three month and nine month periods ended 30 September 2014, the weighted average number of shares has been adjusted as if the bonus share issued during the period had occurred at the beginning of 2014.

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

13 Financial instruments

Financial assets of the Group include non-current receivables, other investments, trade and other receivables, amounts due from related parties and cash in hand and at bank. Financial liabilities of the Group include trade and other payables, security deposits, amounts due to related parties, short-term bank borrowings, long-term bank loans and non-current payables. 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 the comparative periods:

	Designated as fair value through profit or loss AED'000	Loans and receivables AED'000	Others at amortized cost AED'000	Carrying amount AED'000	Fair value AED'000
30 September 2015					
Financial assets					
Non-current receivables	-	462,114	-	462,114	462,114
Other investments	111,974	-	-	111,974	111,974
Trade and other receivables	-	510,952	-	510,952	510,952
Due from related parties	-	29,467	-	29,467	29,467
Cash in hand and at bank	-	335,022	-	335,022	335,022
Total	111,974	1,337,555	-	1,449,529	1,449,529
Financial liabilities					
Trade and other payables	-	-	1,332,610	1,332,610	1,332,610
Security deposits	-	-	10,493	10,493	10,493
Due to related parties	-	-	-	-	-
Short-term bank borrowings	-	-	173,607	173,607	173,607
Long-term bank loans	-	-	1,424,309	1,424,309	1,424,309
Non-current payables	-	-	3,900	3,900	3,900
Total	-	-	2,944,919	2,944,919	2,944,919
31 December 2014					
Financial assets					
Non-current receivables	-	170,344	-	170,344	170,344
Other investments	237,878	-	-	237,878	237,878
Trade and other receivables	-	524,330	-	524,330	524,330
Due from related parties	-	7,465	-	7,465	7,465
Cash in hand and at bank	-	385,245	-	385,245	385,245
Total	237,878	1,087,384	-	1,325,262	1,325,262
Financial liabilities					
Trade and other payables	-	-	1,395,090	1,395,090	1,395,090
Security deposits	-	-	9,842	9,842	9,842
Due to related parties	-	-	16,239	16,239	16,239
Short-term bank borrowings	-	-	197,755	197,755	197,755
Long-term bank loans	-	-	1,457,660	1,457,660	1,457,660
Non-current payables	-	-	5,200	5,200	5,200
Total	-	-	3,081,786	3,081,786	3,081,786

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

13 Financial instruments (continued)

	Designated as fair value through profit or loss AED'000	Loans and receivables AED'000	Others at amortized cost AED'000	Carrying amount AED'000	Fair value AED'000
30 September 2014					
Financial assets					
Non-current receivables	-	160,689	-	160,689	160,689
Other investments	220,657	-	-	220,657	220,657
Trade and other receivables	-	613,177	-	613,177	613,177
Due from related parties	-	7,680	-	7,680	7,680
Cash in hand and at bank	-	298,331	-	298,331	298,331
Total	220,657	1,079,877	-	1,300,534	1,300,534
Financial liabilities					
Trade and other payables	-	-	1,439,519	1,439,519	1,439,519
Security deposits	-	-	9,725	9,725	9,725
Due to related parties	-	-	8,635	8,635	8,635
Short-term bank borrowings	-	-	146,264	146,264	146,264
Long-term bank loans	-	-	1,438,154	1,438,154	1,438,154
Non-current payables	-	-	6,107	6,107	6,107
Total	-	-	3,048,404	3,048,404	3,048,404

Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **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).

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

13 Financial instruments (continued)

The Group has other investments which are stated at fair value. The fair value of quoted securities is determined by reference to their quoted bid prices as at the reporting date. Investments in marketable securities are stated at cost where no observable market data is available. Accordingly, the fair value hierarchy is set out as below:

	Level 1 AED'000	Level 3 AED'000	Total AED'000
30 September 2015			
Other investment	108,140	3,834	111,974
	<u>108,140</u>	<u>3,834</u>	<u>111,974</u>
31 December 2014			
Other investment	234,044	3,834	237,878
	<u>234,044</u>	<u>3,834</u>	<u>237,878</u>
30 September 2014			
Other investment	216,823	3,834	220,657
	<u>216,823</u>	<u>3,834</u>	<u>220,657</u>

There have been no reclassifications made during the current period or in the previous year/period.

Level 1:

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2014 AED'000
Investment securities			
Opening balance	234,044	186,487	186,487
Additions	1,899	184,493	67,355
Sale of Investment securities at fair value	(128,142)	(143,494)	(43,605)
Total gains or losses – net:			
- in the condensed consolidated interim statement of profit or loss	339	6,558	6,586
	<u>339</u>	<u>6,558</u>	<u>6,586</u>
Closing balance	108,140	234,044	216,823
	<u>108,140</u>	<u>234,044</u>	<u>216,823</u>

Union Properties Public Joint Stock Company and its Subsidiaries

Notes (continued)

14 Segment reporting

Business segments

The Group's activities comprise of two main business segments, namely, (i) real estate property management and sales and (ii) construction activities. Other activities mainly comprise of services. The details of segment revenue, segment result, segment assets and segment liabilities are as below:

	Real estate property management and sales AED'000	Construction AED'000	Others AED'000	Total AED'000
Nine month period ended 30 September 2015				
Segment revenue	60,503	380,829	32,789	474,121
Finance income	17,564	571	-	18,135
Gain on sale of investment properties	68,018	-	-	68,018
Gain on valuation of properties	271,109	-	-	271,109
Other income	20,459	10,177	1,887	32,523
Share in profit of joint venture	20,829	-	19,607	40,436
Total Income	458,482	391,577	54,283	904,342
Direct costs	(76,780)	(459,687)	(22,993)	(559,460)
Administrative and general expenses	(33,790)	(46,748)	(12,783)	(93,321)
Finance expense	(67,789)	(25,598)	-	(93,387)
Profit/(loss) for the period	280,123	(140,456)	18,507	158,174
Segment assets	6,606,969	1,037,549	60,404	7,704,922
Investment in joint ventures	234,847	-	342,288	577,135
Total assets	6,841,816	1,037,549	402,692	8,282,057
Segment liabilities	670,488	2,502,491	58,480	3,231,459
Capital expenditure	31,218	2,338	1,175	34,731
Depreciation	1,186	6,961	4,047	12,194
Nine month period ended 30 September 2014				
Segment revenue	83,481	432,949	36,439	552,869
Finance income	10,449	725	-	11,174
Gain on sale of investment properties	115,859	-	-	115,859
Gain on valuation of properties	922,865	-	-	922,865
Other income	108,166	1,566	1,540	111,272
Share in profit of joint venture	5,607	-	13,361	18,968
Total Income	1,246,427	435,240	51,340	1,733,007
Direct Cost	(73,641)	(658,405)	(28,951)	(760,997)
Administrative and general expenses	(32,060)	(45,466)	(10,172)	(87,698)
Finance expense	(21,172)	(29,262)	-	(50,434)
Profit/(loss) for the period	1,119,554	(297,893)	12,217	833,878
Segment assets	6,497,241	1,276,028	55,819	7,829,088
Investment in joint ventures	236,557	-	313,209	549,766
Total assets	6,733,798	1,276,028	369,028	8,378,854
Segment liabilities	764,075	2,596,163	46,252	3,406,490
Capital expenditure	42,210	1,301	1,785	45,296
Depreciation	849	7,380	1,888	10,117