

Union Properties
Public Joint Stock Company
and its Subsidiaries

Interim condensed consolidated
financial information (unaudited)
30 June 2015

Union Properties Public Joint Stock Company and its Subsidiaries

Interim condensed consolidated financial information (unaudited)

30 June 2015

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

Date **09 AUG 2015**

Union Properties Public Joint Stock Company and its Subsidiaries

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

	Note	Six month period ended 30 June	
		2015 AED'000	2014 AED'000
Property management and sales revenue	14	38,404	64,424
Contracting and other operating activities	14	260,509	308,020
Gain on sale of investment properties	7(i)	68,018	77,937
Share in profit of joint ventures	5	35,631	7,166
Gain on valuation of properties	7(ii)	137,953	711,565
Finance income		11,429	10,433
Other income	6	24,436	108,984
Total income		576,380	1,288,529
Direct costs	14	(385,656)	(491,484)
Administrative and general expenses	14	(63,004)	(57,011)
Finance expense	14	(80,205)	(32,887)
Profit for the period attributable to the shareholders of the Company		47,515	707,147
Basic and diluted earnings per share (AED) (for the period)	12	0.013	0.191

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 six month period ended 30 June 2015

	Note	Three month period ended 30 June	
		2015 AED'000	2014 AED'000
Property management and sales revenue	14	19,758	48,701
Contracting and other operating activities	14	117,682	110,651
Gain on sale of investment properties	7(i)	-	141
Share in profit of joint ventures	5	30,938	3,282
Gain on valuation of properties	7(ii)	121,407	711,565
Finance income		8,026	4,206
Other income	6	20,092	5,600
Total income		<u>317,903</u>	<u>884,146</u>
Direct costs	14	(254,734)	(313,530)
Administrative and general expenses		(31,875)	(27,648)
Finance expense		(11,926)	(15,612)
Profit for the period attributable to the shareholders of the Company		<u>19,368</u>	<u>527,356</u>
Basic and diluted earnings per share (AED) (for the period)	12	<u>0.005</u>	<u>0.142</u>

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

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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 six month period ended 30 June 2015

	Six month period ended 30 June		Three month period ended 30 June	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Profit for the period	47,515	707,147	19,368	527,356
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	47,515	707,147	19,368	527,356

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 June 2015

	Note	Unaudited 30 June 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 June 2014 AED'000
ASSETS				
Non-current assets				
Intangible assets				
Property, plant and equipment		295	295	295
Investment properties	7	98,773	103,178	105,129
Development properties	8	5,536,676	5,907,879	5,610,364
Investment in joint ventures	5	42,832	49,423	54,279
Non-current receivables	9	597,330	561,699	537,964
		402,322	170,344	158,715
		<u>6,678,228</u>	<u>6,792,818</u>	<u>6,466,746</u>
Current assets				
Other investments	11	112,769	237,878	201,203
Inventories		29,996	31,013	32,831
Contract work-in-progress		515,199	481,777	494,770
Trade and other receivables	9	710,999	562,948	681,515
Due from related parties	10	11,308	7,465	7,045
Cash in hand and at bank		347,169	385,245	405,115
		<u>1,727,440</u>	<u>1,706,326</u>	<u>1,822,479</u>
Total assets		<u>8,405,668</u>	<u>8,499,144</u>	<u>8,289,225</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		657,237	892,538	826,190
Total equity attributable to the shareholders of the Company		<u>4,939,939</u>	<u>4,998,480</u>	<u>4,845,633</u>
Non-current liabilities				
Long-term bank loans		1,423,044	1,436,060	1,078,154
Advances from sale of properties		51,966	84,127	162,545
Non-current payables		3,900	5,200	6,107
Provision for staff terminal benefits		62,703	70,972	75,403
		<u>1,541,613</u>	<u>1,596,359</u>	<u>1,322,209</u>
Current liabilities				
Trade and other payables		1,545,249	1,445,721	1,432,355
Advances and deposits		187,141	222,990	200,515
Due to related parties	10	1,552	16,239	2,780
Short-term bank borrowings		162,481	197,755	125,733
Current portion of long-term bank loans		27,693	21,600	360,000
		<u>1,924,116</u>	<u>1,904,305</u>	<u>2,121,383</u>
Total liabilities		<u>3,465,729</u>	<u>3,500,664</u>	<u>3,443,592</u>
Total equity and liabilities		<u>8,405,668</u>	<u>8,499,144</u>	<u>8,289,225</u>

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

09 AUG 2015

Director

General Manager

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 six month period ended 30 June 2015

	Note	Six month period ended 30 June	
		2015 AED'000	2014 AED'000
Operating activities			
Profit for the period		47,515	707,147
<i>Adjustments for:</i>			
Depreciation		4,465	7,564
Gain on disposal of investment properties		(68,018)	(77,937)
Gain on valuation of properties		(137,953)	(711,565)
Share in profit of joint ventures		(35,631)	(7,166)
Gain on disposal of property, plant and equipment		-	(410)
Finance income		(11,429)	(10,433)
Finance expense		80,205	32,887
		<hr/>	<hr/>
<i>Operating loss before working capital changes</i>		(120,846)	(59,913)
Change in trade and other receivables		335,655	135,140
Change in inventories		1,017	(1,587)
Change in contract work-in-progress		(33,422)	(128,267)
Change in non-current receivables		(231,978)	(58,065)
Change in due from related parties		(3,843)	3,047
Change in trade and other payables		141,672	89,224
Change in due to related parties		(14,687)	814
Change in non-current payables		(1,300)	543
Change in advances and deposits		(35,849)	27,285
Change in staff terminal benefits (net)		(8,269)	(5,176)
		<hr/>	<hr/>
<i>Net cash generated from operating activities</i>		28,150	3,045
		<hr/>	<hr/>
Investing activities			
Additions to property, plant and equipment		(3,712)	(2,458)
Additions to investment properties	7	(17,771)	(37,050)
Proceeds from disposal of property, plant and equipment		-	410
Proceeds from disposal of investment properties		46,627	94,500
Interest income		11,429	10,433
Change in other investments		125,109	(10,216)
Change in deposit with banks		(8,864)	(17,343)
		<hr/>	<hr/>
<i>Net cash generated from investing activities</i>		152,818	38,276
		<hr/>	<hr/>
Financing activities			
Net movement in long-term bank loans		(6,923)	-
Net movement from trust receipts		17,228	-
Dividends paid		(106,056)	-
Interest paid		(79,655)	(31,937)
Change in advances from sale of properties		-	54,252
		<hr/>	<hr/>
<i>Net cash (used in)/generated from financing activities</i>		(175,406)	22,315
		<hr/>	<hr/>
Net increase in cash and cash equivalents		5,562	63,636
Cash and cash equivalents at the beginning of the period		143,951	122,998
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period		149,513	186,634
		<hr/> <hr/>	<hr/> <hr/>

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 six month period ended 30 June 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	-	-	-	-	707,147	707,147
Issuance of bonus share	168,342	-	-	-	(168,342)	-
At 30 June 2014 (unaudited)	3,535,199	(4,998)	175,545	313,697	826,190	4,845,633
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	-	-	-	-	47,515	47,515
Issuance of bonus share	176,760	-	-	-	(176,760)	-
Dividend declared and paid	-	-	-	-	(106,056)	(106,056)
At 30 June 2015 (unaudited)	3,711,959	(4,998)	262,044	313,697	657,237	4,939,939

No allocation of profit has been made to the statutory reserve for the six month period ended 30 June 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 six month period ended 30 June 2015, the Group's share of profit in Properties Investment LLC amounted to AED 21.4 million (30 June 2014: AED 0.1 million) and its share of profit in Emirates District Cooling LLC amounted to AED 14.2 million (30 June 2014: AED 7.1 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 June 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 June 2014 AED'000
Opening balance	5,907,879	5,092,655	5,092,655
Additions during the period/year	17,771	82,467	37,050
Gain on fair valuation (refer note (ii) below)	137,953	1,044,370	711,565
Transfer from development properties	-	766	-
Sale of investment properties (refer note (i) below)	(526,927)	(312,379)	(230,906)
Closing balance	<u>5,536,676</u>	<u>5,907,879</u>	<u>5,610,364</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 six month period ended 30 June 2015, the Group has sold various investment properties with carrying value of AED 526.9 million (30 June 2014: AED 230.9 million) resulting in a net gain of AED 68 million (30 June 2014: AED 77.9 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 independent valuers provide the fair value of the Group's investment property portfolio every six months.

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.

In case where the Company do not have any on-going lease arrangements, fair values have been determined, where relevant, having regard to recent market transactions for similar properties in the same location as the Group's investment properties. These values are adjusted for differences in key attributes such as property size.

Based on the valuation, a fair value gain of AED 138 million (30 June 2014: AED 711.6 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 June 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 June 2014 AED'000
Opening balance	49,423	80,926	80,926
Cost of properties sold	(6,591)	(30,737)	(26,647)
Transfer to investment properties	-	(766)	-
Closing balance	<u>42,832</u>	<u>49,423</u>	<u>54,279</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 six month period ended 30 June 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 June 2015		Audited 31 December 2014		Unaudited 30 June 2014	
	Gross AED '000	Provision AED '000	Gross AED '000	Provision AED '000	Gross AED '000	Provision AED '000
Not Past Due	527,330	-	37,471	-	53,136	-
Past due 1-90 days	117,512	-	37,649	-	69,736	34
Past due 91-365 days	169,884	4,960	120,603	11,207	141,440	26,198
More than one year	1,952,623	1,765,069	2,000,464	1,760,379	1,966,086	1,746,425
	<u>2,767,349</u>	<u>1,770,029</u>	<u>2,196,187</u>	<u>1,771,586</u>	<u>2,230,398</u>	<u>1,772,657</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 June 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 June 2014 AED'000
At 1 January	1,771,586	1,770,137	1,770,137
Provision for the period/year	785	2,420	2,520
Amounts written off/provision reversed during the period/year	(2,342)	(971)	-
Closing balance	<u>1,770,029</u>	<u>1,771,586</u>	<u>1,772,657</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 June 2015 AED'000	Unaudited 30 June 2014 AED'000
Project management income and income from contracts	-	4,564
Interest expenses	25	8,979
Compensation to key management personnel are as follows :		
- Salaries and other short-term employee benefits	2,347	1,840
- Provision towards staff terminal benefits	143	55
	=====	=====

11 Investments at fair value through profit and loss

During the six month period ended 30 June 2015, the Group made an additional investment of AED 1.9 million and sold various financial instruments with fair value of AED 126.7 million. As at 30 June 2015, the market value amounts to AED 108.9 million (31 December 2014: 227.2 million) resulting into a fair value gain of AED 1.44 million for the six month period ended 30 June 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 2.9 million from these investments. The group also has investment in real estate fund of 3.8 million (30 June 2014: 3.8 million).

12 Basic and diluted earnings per share

	Unaudited		Unaudited	
	Six month period ended 30 June		Three month period ended 30 June	
	2015	2014	2015	2014
Net profit attributable to shareholders (AED'000)	47,515	707,147	19,368	527,356
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)	0.013	0.191	0.005	0.142
	=====	=====	=====	=====

For recalculating the earnings per share for the three month and six month periods ended 30 June 2014, the weighted average number of shares has been adjusted as if the bonus share issue 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 period:

	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 June 2015					
Financial assets					
Non-current receivables	-	402,322	-	402,322	402,322
Other investments	112,769	-	-	112,769	112,769
Trade and other receivables	-	638,202	-	638,202	638,202
Due from related parties	-	11,308	-	11,308	11,308
Cash in hand and at bank	-	347,169	-	347,169	347,169
Total	112,769	1,399,001	-	1,511,770	1,511,770
Financial liabilities					
Trade and other payables	-	-	1,495,028	1,495,028	1,495,028
Security deposits	-	-	10,211	10,211	10,211
Due to related parties	-	-	1,552	1,552	1,552
Short-term bank borrowings	-	-	162,481	162,481	162,481
Long-term bank loans	-	-	1,450,737	1,450,737	1,450,737
Non-current payables	-	-	3,900	3,900	3,900
Total	-	-	3,123,909	3,123,909	3,123,909
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 June 2014					
Financial assets					
Non-current receivables	-	158,715	-	158,715	158,715
Other investments	201,203	-	-	201,203	201,203
Trade and other receivables	-	629,660	-	629,660	629,660
Due from related parties	-	7,045	-	7,045	7,045
Cash in hand and at bank	-	405,115	-	405,115	405,115
Total	201,203	1,200,535	-	1,401,738	1,401,738
Financial liabilities					
Trade and other payables	-	-	1,372,836	1,372,836	1,372,836
Security deposits	-	-	9,721	9,721	9,721
Due to related parties	-	-	2,780	2,780	2,780
Short-term bank borrowings	-	-	125,733	125,733	125,733
Long-term bank loans	-	-	1,438,154	1,438,154	1,438,154
Non-current payables	-	-	6,107	6,107	6,107
Total	-	-	2,955,331	2,955,331	2,955,331

Fair value hierarchy

The table below analysis 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 June 2015			
Other investment	108,935	3,834	112,769
	=====	=====	=====
31 December 2014			
Other investment	234,044	3,834	237,878
	=====	=====	=====
30 June 2014			
Other investment	197,369	3,834	201,203
	=====	=====	=====

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

Level 1:

	Unaudited 30 June 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 June 2014 AED'000
Investment securities			
Opening balance	234,044	186,487	186,487
Additions	1,899	184,493	3,710
Sale of Investment securities at fair value	(127,728)	(143,494)	-
Total gains or losses – net:			
· in the condensed consolidated interim statement of income	720	6,558	7,172
	-----	-----	-----
Closing balance	108,935	234,044	197,369
	=====	=====	=====

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 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
Six month period ended 30 June 2015				
Segment revenue	38,404	236,713	23,796	298,913
Finance income	11,366	63	-	11,429
Gain on sale of investment properties	68,018	-	-	68,018
Gain on valuation of properties	137,953	-	-	137,953
Other income	17,267	5,923	1,246	24,436
Share in profit of joint venture	21,428	-	14,203	35,631
Total Income	294,436	242,699	39,245	576,380
Direct costs	(54,231)	(314,912)	(16,513)	(385,656)
Administrative and general expenses	(21,803)	(33,266)	(7,935)	(63,004)
Finance expense	(63,456)	(16,749)	-	(80,205)
Profit/(loss) for the period	154,946	(122,228)	14,797	47,515
Segment assets	6,504,670	1,240,384	63,284	7,808,338
Investment in joint ventures	260,446	-	336,884	597,330
Total assets	6,765,116	1,240,384	400,168	8,405,668
Segment liabilities	611,054	2,795,073	59,602	3,465,729
Capital expenditure	15,072	1,972	727	17,771
Depreciation	756	2,414	1,316	4,486
Six month period ended 30 June 2014				
Segment revenue	64,424	280,479	27,541	372,444
Finance income	10,263	170	-	10,433
Gain on sale of investment properties	77,937	-	-	77,937
Gain on valuation of properties	711,565	-	-	711,565
Other income	106,148	1,851	985	108,984
Share in profit of joint venture	112	-	7,054	7,166
Total Income	970,449	282,500	35,580	1,288,529
Direct Cost	(56,607)	(413,687)	(21,190)	(491,484)
Administrative and general expenses	(19,937)	(30,329)	(6,745)	(57,011)
Finance expense	(13,862)	(19,025)	-	(32,887)
Profit/(loss) for the period	880,043	(180,541)	7,645	707,147
Segment assets	6,493,073	1,197,971	60,217	7,751,261
Investment in joint ventures	231,062	-	306,902	537,964
Total assets	6,724,135	1,197,971	367,119	8,289,225
Segment liabilities	988,645	2,405,901	49,046	3,443,592
Capital expenditure	37,326	885	1,297	39,508
Depreciation	849	5,538	1,177	7,564