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QD US REAL ESTATE COMPANY

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

REGISTERED NUMBER FC 031878
31 DECEMBER 2015

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Directors' report

The directors of QD US Real Estate Company (the "Company") present their directors' report and consolidated financial statements of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2015.

Principal activities and review of the business

QD US Real Estate Company is a parent company incorporated in the Cayman Islands The registered office of the Company is located at Maples Corporate Services Ltd PO Box 309 Ugland House, KY1-1104 Cayman Islands. The Company's principal activity is real estate investment.

The shareholder and the shareholding interest in the Company is as follows

Name of shareholder	*Interests*
Qatari Diar Real Estate Investment Company Q.S.C.	100%

Results and dividends

The profit of the Group for the year ended 31December 2015 dealt with in the consolidated financial statements is US$ 2,080,048 (2014. US$ 5,063,704, 2013. Loss US$ 47,318,707).

The directors are satisfied with the financial performance and the position of the Group for the year ended 31 December 2015

The directors do not recommend the payment of a dividend in respect of the year to 31 December 2015 (2014 and 2013 Nil)

Directors

The following directors have held office during the financial year and subsequently:

Khaled Al Sayed (appointed since 31 March 2014)
Sheikh Jassim Al Thani (appointed since 31 March 2014)
Khalid Saad Al Otaibi (appointed since 31 March 2014)
Fabien L Toscano (appointed since 31 March 2014, resigned on 23August 2015)
Sean N Reid (appointed since 31 March 2014, resigned on 15 January 2016)
Thierry Boud'hors (appointed since 23 August 2015)

Directors' remuneration

There was no directors' remuneration during the year ended 31 December 2015 (2014 and 2013, US$ Nil)

Staff numbers and costs

There were no employees and no indemnity provisions during the year ended 31 December 2015 (2014 and 2013: US$ Nil)

Political contribution

The Group incurred no political expenditure (2014 and 2013: US$ Nil) during the year

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of interest rate risk, currency risk, credit risk, and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company (Note 12)

Strategic report

The Directors have taken exemption from preparing the strategic report as the Financial Statements are prepared in accordance with the small companies regime.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

The auditors, Deloitte and Touche – Qatar are deemed to have been reappointed in accordance with section 487 of the Companies Act of 2006

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, International Accounting Standard 1 requires that directors·

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

Thierry Boud'hors
Director

Company registration number FC 031878

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
QD US Real Estate Company

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of QD US Real Estate Company (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The separate financial statements of the Company for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 11 February 2016.

Doha – Qatar
22 June 2016

For Deloitte & Touche
Qatar Branch

Walid Slim
Partner
License No. 319

Maria

QD US Real Estate Company

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Notes	*2015 US$*	*2014 US$ Restated*
Promote expense	3	(1,002,604)	(28,164,687)
Finance costs	10	(16,652,010)	(12,959,666)
Fund management fee	4	-	(10,998,735)
Project development costs		-	(145,020)
General and administrative expenses		(2,441,965)	(580,772)
Interest income		-	803,055
OPERATING LOSS		(20,096,579)	(52,045,825)
Share of profit of joint ventures	5	20,759,969	85,022,537
PROFIT BEFORE INCOME TAX		663,390	32,976,712
Deferred tax	7	1,464,622	(22,455,025)
Income tax expense	7	(47,964)	(5,457,983)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,080,048	5,063,704

The attached notes 1 to 15 form part of these consolidated financial statements

QD US Real Estate Company

CONSOLIDATED STATE'MENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	*2015* *US$*	*2014* *US$* *Restated*	*2013* *US$* *Restated*
ASSETS				
Non-current asset				
Investment in joint ventures	5	**507,087,147**	503,286,041	531,002,993
Current assets				
Due from related party	10	**19,001,265**	19,003,923	70,476,389
Income tax recoverable		**59,208**	59,208	-
Prepayments		**9,600**	9,600	1,216
Bank balances		**190,560,418**	207,201,279	35,094,605
		209,630,491	226,274,010	105,572,210
TOTAL ASSETS		**716,717,638**	729,560,051	636,575,203
EQUITY AND LIABILITIES				
Equity				
Share capital	6	**292,273**	292,273	470,845
Share premium	6	**220,552,231**	220,552,231	470,373,656
Retained earnings	9	**99,118,197**	97,038,149	91,974,445
Total equity		**319,962,701**	317,882,653	562,818,946
Non-current liabilities				
Amounts due to related parties	10	**277,584,722**	281,280,000	-
Deferred tax liabilities	7	**87,339,603**	88,804,225	66,349,200
		364,924,325	370,084,225	66,349,200
Liabilities				
Current liabilities				
Accruals and provisions	8	**29,463,427**	28,310,766	146,047
Amount due to related parties	10	**2,319,221**	13,282,407	3,755,701
Current tax liabilities	7	**47,964**	-	3,505,309
		31,830,612	41,593,173	7,407,057
Total liabilities		**396,754,937**	411,677,398	73,756,257
TOTAL EQUITY AND LIABILITIES		**716,717,638**	729,560,051	636,575,203

Thierry Boud'hors
Director

The attached notes 1 to 15 form part of these consolidated financial statements.

QD US Real Estate Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Share capital US$	*Share premium US$*	*Retained earnings US$*	*Total US$*
Balance 1 January 2014	470,845	470,373,656	158,323,645	629,168,146
Prior year adjustment (Note 15)	-	-	(66,349,200)	(66,349,200)
Balance 1 January 2014 (Restated)	470,845	470,373,656	91,974,445	562,818,946
Total comprehensive income for the year (Restated)	-	-	5,063,704	5,063,704
Buy back of shares (Note 6)	(178,572)	(249,821,425)	-	(249,999,997)
At 31 December 2014 (Restated)	292,273	220,552,231	97,038,149	317,882,653
Total comprehensive income for the year	-	-	2,080,048	2,080,048
At 31 December 2015	**292,273**	**220,552,231**	**99,118,197**	**319,962,701**

The attached notes 1 to 15 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Notes	2015 US$	2014 US$
OPERATING ACTIVITIES			
Profit before income tax		663,390	32,976,712
Adjustments for			
Finance costs	10	16,652,010	12,959,666
Share of profit of joint ventures	5	(20,759,969)	(85,022,537)
		(3,444,569)	(39,086,159)
Working capital changes			
Prepayments		-	(8,384)
Accruals and provisions		1,152,661	28,164,718
Amounts due to related parties		(10,963,186)	9,526,707
Due from related party		2,658	51,472,466
Cash (used in) / generated from operations		(13,252,436)	50,069,348
Income tax paid		-	(9,022,500)
Net cash (used in) / generated from operating activities		(13,252,436)	41,046,848
INVESTING ACTIVITIES			
Dividends received from joint ventures		20,526,300	119,200,652
Additions to investments in joint ventures		(3,567,437)	(6,461,163)
Net cash flows from investing activities		16,958,863	112,739,489
FINANCING ACTIVITY			
Net movements in related party loans		(20,347,288)	18,320,337
(DECREASE) / INCREASE IN BANK BALANCE		(16,640,861)	172,106,674
Bank balance at 1 January		207,201,279	35,094,605
BANK BALANCE AT 31 DECEMBER		190,560,418	207,201,279

The attached notes 1 to 15 form part of these consolidated financial statements.

1 ACTIVITIES

QD US Real Estate Company (the" Company") is a Company incorporated in Cayman Islands in 2010 The registered office of the Company is located at the office of Maples Corporate Services Ltd PO Box 309 Ugland House, KY1-1104 Cayman Islands The Company's principal activity is real estate investment. The Company commenced commercial operations effective 1 October 2010

The Company is also registered under the provisions of Her Majesty's Revenue and Customs (HMRC) in the United Kingdom since 30 March 2014

The objective of the Company is to engage in any act or activity that is not prohibited under any law in force for the time being in the Cayman Islands and in compliance with Islamic Sharia principles

Controlling party
The shareholder and the shareholding interests in the Company is as follows:

Name of the shareholder	*Interests*
Qatari Diar Real Estate Investment Company Q.S C	100%

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party is Qatari Diar Real Estate Investment Company, a company incorporated in the State of Qatar.

The Company's investment activities were managed by The First Investor Q S C C (the "Fund Manager") until 30 June 2014

Effective 30 March 2014, the Fund Management Agreement had been terminated and the Fund Manager sold all of its shareholdings to Qatari Diar Real Estate Investment Company Q S C ("Qatari Diar") through a share purchase agreement (the "SPA"). Accordingly, the Company changed its legal name to "QD US Real Estate Company", and became wholly owned and managed by Qatari Diar from the effective date

The consolidated financial statements of the Group for the year ended 31 December 2015 were authorised for issue by the management on 22 June 2016

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements comprise the financial statements of QD US Real Estate Company and its subsidiaries (hereinafter referred to as the "Group").

Subsidiaries
Subsidiaries are those entities controlled by the Group Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee The Group controls an investee if and only if the Group has all of the following.

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amounts of the investors returns

The Group reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

The Group's subsidiaries included in these consolidated financial statements are as follows.

Name of the subsidiary	*Country of incorporation*	*Principal activities*	*Group's effective shareholding %* 31 December 2015	31 December 2014
QD US Parcel A (Residential) Company	Cayman Islands	Real estate investments	100%	100%
QD US Parcel A (Condo 1) Company	Cayman Islands	Real estate investments	100%	100%
QD US Parcel A (Condo 2) Company	Cayman Islands	Real estate investments	100%	100%
QD US Parcel A (Office) Company	Cayman Islands	Real estate investments	100%	100%
QD US Parcel A (Retail) Company	Cayman Islands	Real estate investments	100%	100%
CCDC Parcel B Hotel Corporation (UK) Ltd	United Kingdom	Real estate investments	100%	100%
CCDC Parcel B Retail Corporation (UK) Ltd	United Kingdom	Real estate investments	100%	100%

Transactions eliminated on consolidation

All material inter-group balances and transactions, and any unrealised gains from intra-group transactions are eliminated in preparing the consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) The consolidated financial statements have also been prepared in accordance with IFRSs adopted by the European Union

The consolidated financial statements are presented in United States Dollars ("US$"), which is the Group's functional and presentation currency

Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except as noted below

Revised Standards:

The following amendments to IFRS became effective for annual period beginning on or after 1 January 2015. These amendments have not had any impact on the disclosures or on the amounts reported in the consolidated financial statements of the Group.

Effective for annual periods beginning on or after 1 July 2014

• IAS 19 (Revised)	Amendments to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service
• Annual improvements to IFRSs 2010-2012 cycle	Amendments to issue clarifications on IFRSs- IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38
• Annual Improvements 2011-2013 Cycle	Amendments to issue clarifications on IFRSs- IFRS 1, IFRS 3, IFRS 13 and IAS 40

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and revised IFRSs in issue but not yet effective (Early adoption allowed):

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

(i) New Standards:

		Effectivity Dates
• IFRS 14	Regulatory Deferral Accounts	1 January 2016
• IFRS 15	Revenue from Contracts with Customers	1 January 2018
• IFRS 9	Financial Instruments	1 January 2018
• IFRS 16	Leases	1 January 2019

(ii) Revised Standards:

Effective for annual periods beginning on or after 1 January 2016

• Annual Improvements 2012-2014 Cycle	Amendments to issue clarifications and add additional/specific guidance to IFRS 5, IFRS 7, IAS 19 and IAS 34
• IFRS 10 & IAS 28 (Revised)	Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture
• IFRS 11 (Revised)	Amendments regarding the accounting for acquisitions of an interest in a joint operation
• IFRS 12 (Revised)	Amendments regarding the application of the consolidation exception.
• IAS 1 (Revised)	Amendments resulting from the disclosure initiative.
• IAS 16 (Revised)	Amendments regarding the clarification of acceptable methods of depreciation and amortisation and amendments bringing bearer plants into the scope of IAS 16
• IAS 38 (Revised)	Amendments regarding the clarification of acceptable methods of depreciation and amortisation
• IAS 41 (Revised)	Amendments bringing bearer plants into the scope of IAS 16
• IAS 27 (Revised)	Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

Effective for annual periods beginning on or after 1 January 2018 (on application of IFRS 9)

• IFRS 7 (Revised)	Financial Instruments Disclosures - Amendments requiring disclosures about the initial application of IFRS 9
• IAS 39 (Revised)	Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception

The Group is currently evaluating the impact of these new standards IFRS 9, IFRS 15 and IFRS 16. Management anticipates that the adoption of other new and revised Standards in future periods will have no material financial impact on the consolidated financial statements of the Group in the period of initial application, other than certain presentation and disclosure changes

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective

Summary of significant accounting judgments and estimates

Significant accounting judgments
The preparation of the Group's consolidated financial statements requires the management to make certain judgements that affect the preparation of and the amounts recognised in the consolidated financial statements. The following are the most significant judgments.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting judgments and estimates (continued)

Classification of investments
Note 5 of the consolidated financial statements describes that Group's investments in various companies are joint ventures of the Group although the Group owns 90% of the share capital of the investee companies The management of the Company assessed whether or not Group has control over these entities based on whether the Group has practical ability to control the relevant activities of these entities unilaterally. After assessment, management concluded that the Group jointly controls the relevant activities with its co-venturer and accordingly classified the same as investment in joint ventures

Accounting policy for measurement of investment properties
Management of the Group is required to choose as its accounting policy either the fair value model or the cost model and shall apply this policy to all of its investment property, except if it holds an investment property as a lessee under an operating lease, under which it is required to hold these investment properties only at fair value

The Company has chosen to adopt the fair value model for the purposes of measuring its investment properties (including properties carried in the books of joint ventures) in the consolidated statement of financial position

Functional currency
The primary objective of the Group is to generate returns in US$, which is the capital raising currency Also, the day-to-day activities of the Group are managed and the performance is evaluated in US$. Therefore, the management considers US$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions

Use of estimates
The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates

The estimates and underlying assumptions are reviewed regularly Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the consolidated financial statements and certain disclosures. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. The following is the most significant estimate

Fair value measurements
Investment properties of the joint ventures are measured at fair value for the Group financial reporting purposes. In estimating the fair value of the properties, the Group engages third party qualified valuers to perform the valuation The management committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model

Summary of significant accounting policies

Interests in jointly controlled entities
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement The parties in a joint venture are bound by a contractual arrangement which gives those parties joint control of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that control the arrangement.

The Group's investments in joint ventures are accounted for under the equity method in the Group's consolidated financial statements Under the equity method the investment in a joint venture is initially recognised at cost The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets in the joint venture since the acquisition date

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Interests in jointly controlled entities (continued)
The statement of comprehensive income reflects the Group's share of the results of the operations of the joint venture Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax of the joint venture

The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary, to bring the accounting policies in line with those of the Group. All of the Group's properties held to earn rental income or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount An asset's recoverable amount is the higher of an asset's or cash-generating units fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset In determining fair value less cost to sell, an appropriate valuation model is used These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had not impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at re-valued amount, in which case the reversal is treated as a revaluation increase.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the consolidated statement of comprehensive income

Cash and cash equivalents
Cash and cash equivalents comprise of bank balances with original maturity of three months or less

Impairment and collectibility of financial assets
An assessment is made at the end of each reporting period to determine whether there is objective evidence that a specific financial asset may be impaired If such evidence exists, any impairment loss is recognised in the consolidated statement of comprehensive income Impairment is determined as follows

(a) For assets carried at fair value, impairment is the difference between cost and fair value;
(b) For assets carried at cost, impairment is the difference between cost and the present value of future cash flows discounted at the current market rate of return for a similar financial asset.
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Loan from related party
Loan from a related party is initially recognized at the fair value of the consideration received less directly attributable transaction costs After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method

Other accrued expenses
Liabilities are recognised for amounts to be paid in the future for services received, whether billed by the supplier or not

Derecognition of financial assets and liabilities
a) Financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss

On derecognition of a financial asset other than in its entirety (e g when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts

b) Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Foreign currencies
Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of significant accounting policies (continued)

Dividend distributions
Dividend distributions are at the discretion of the Group A dividend distribution to the Group's shareholders is accounted for as a deduction from retained earnings. A proposed dividend is recognised as a liability in the period in which it is approved in the meeting of the Board of Directors.

Taxation
Income tax expense
Income tax expense recognised in the consolidated statement of comprehensive income represents the tax payable on taxable income for the period in accordance with Tax Laws in the United States of America and United Kingdom The Group shall pay income tax on the basis of the current rates of taxation as set out in the Laws

Deferred income tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax base of the assets and liabilities carrying amounts

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply the period when the asset is realised or the liability is settled, based on the laws that have been enacted at the end of the reporting period

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority

3 PROMOTE EXPENSES

Promote expenses are provisions payable to Hines CCDC Partners LLC, a co-venturer Based on the joint venture agreement, once the land uses reach 95% stabilization, the Group will reduce its ownership in the joint ventures to circa 83.9% from 90% by transferring the difference to co-venturer without any consideration

Provision for promote expenses will be utilised to reduce carrying value of investment in joint ventures once the actual expense has been determined when the properties reach 95% stabilization, which is expected to take place on the latter part of 2016 As at 31 December 2015, the Group provided promote expenses for office and residential properties based on management's best estimate

4 FUND MANAGEMENT FEE

	2015 *US$*	*2014* *US$*
Fund management fee (i)	-	7,778,735
Advisory fees (ii)	-	3,220,000
	-	10,998,735

Note:
(i) Fund management fee represents the Fund Manager's annual fees calculated as 2% p a on gross assets under management and 0.50% p a on committed capital less invested capital until 30 June 2014

(ii) Advisory fees represent the Fund Manager's charges for technical assistance during the transition of ownership of the operations to Qatari Diar Real Estate Investment Company Q S C

Management of the Group was transferred to Qatari Diar in July 2014 after the three months transitional period as set out in the terms of the SPA.

5 INVESTMENT IN JOINT VENTURES

The Group has the following investments in joint ventures

	Group effective shareholding as at 31 December		*Group's share of net assets as at 31 December*	
	2015	*2014*	*2015*	*2014*
	US$	*US$*	*US$*	*US$*
Name of joint venture				
CCDC Residential Rental L L C (i)	**90%**	90%	**140,537,291**	137,619,008
CCDC For Sale H L L C. (ii)	**90%**	90%	**8,420,051**	13,807,197
CCDC For Sale I L L C (iii)	**90%**	90%	**7,512,833**	17,507,876
CCDC Office L L C (iv)	**90%**	90%	**289,799,786**	277,842,587
CCDC Retail L L C (v)	**90%**	90%	**50,789,057**	50,048,680
CCDC Hotel L.L C (vi)	**49.15%**	50%	**8,298,646**	5,404,893
CCDC Retail Parcel B L.L C. (vii)	**49.15%**	50%	**1,729,483**	1,055,800
			507,087,147	503,286,041

The Group's investment in the joint venture entities are as follows;

(i) *CCDC Residential Rental L.L C*
The Group holds 90% of the ownership interest in CCDC Residential Rental L L C , which was registered and incorporated on 28 February 2011 The entity is primarily engaged in the development and construction of two apartment buildings within the CityCenterDC mixed-use development project

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015	*2014*
	US$	*US$*
Share of joint venture's statement of financial position:		
Total assets	**260,847,504**	259,807,433
Total liabilities	**104,694,959**	106,897,424
Equity	**156,152,545**	152,910,009
Proportion of the Group's ownership	**90%**	90%
Carrying amount of the investment	**140,537,291**	137,619,008
Share of joint ventures results		
Total income	**15,549,296**	24,481,155
Total expenses	**(12,306,760)**	(10,375,755)
Profit for the year	**3,242,536**	14,105,400
Group's share of profit for the year	**2,918,283**	12,694,860

5 INVESTMENT IN JOINT VENTURES (CONTINUED)

(ii) *CCDC For Sale H L.L C*
The Group holds 90% of the ownership interest in CCDC For Sale H L L C , which was registered and incorporated on 28 February 2011 The entity is engaged in the development and construction of the "For Sale" residential building on the parcel of the land adjacent to H Street in the CityCenterDC mixed-use development project

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015 *US$*	*2014* *US$*
Share of joint venture's statement of financial position:		
Total assets	9,496,794	15,725,564
Total liabilities	141,182	384,234
Equity	9,355,612	15,341,330
Proportion of the Group's ownership	90%	90%
Carrying amount of the investment	8,420,051	13,807,197
Share of joint ventures results		
Total income	14,633,750	77,422,304
Total expenses	(11,877,768)	(60,399,477)
Profit for the year	2,755,982	17,022,827
Group's share of profit for the year	2,480,384	15,320,544

(iii) *CCDC For Sale I L.L C*
The Group holds 90% of the ownership interest in CCDC For Sale I L L.C., which was registered and incorporated on 28 February 2011 The entity is engaged in the development and construction of the "For Sale" residential building on the parcel of land adjacent to I Street in the CityCenterDC mixed-use development project

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015 *US$*	*2014* *US$*
Share of joint venture's statement of financial position:		
Total assets	8,457,751	19,739,844
Total liabilities	110,159	286,648
Equity	8,347,592	19,453,196
Proportion of the Group's ownership	90%	90%
Carrying amount of the investment	7,512,833	17,507,876
Share of joint ventures results		
Total income	14,694,528	73,190,812
Total expenses	(11,734,832)	(57,702,084)
Profit for the year	2,959,696	15,488,728
Group's share of profit for the year	2,663,726	13,939,855

5 INVESTMENT IN JOINT VENTURES (CONTINUED)

(iv) *CCDC Office L L C*

The Group holds 90% of the ownership interest in CCDC Office L L C , which was registered and incorporated on 28 February 2011 The Company is engaged in the development and construction of two office buildings in the CityCenterDC mixed-use development project

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015 US$	2014 US$
Share of joint venture's statement of financial position:		
Total assets	565,668,518	545,403,588
Total liabilities	243,668,756	236,689,602
Equity	321,999,762	308,713,986
Proportion of the Group's ownership	90%	90%
Carrying amount of the investment	289,799,786	277,842,587
Share of joint ventures results		
Total income	38,750,801	90,084,658
Total expenses	(25,465,024)	(20,992,378)
Profit for the year	13,285,777	69,092,280
Group's share of profit for the year	11,957,199	62,183,052

(v) *CCDC Retail L L C*

The Group holds 90% of the ownership interest in CCDC Retail L L C., which was registered and incorporated on 28 February 2011 The Company is engaged in the development and construction of retail space within the six buildings (two office buildings, two apartment buildings, and two for-sale residential buildings) in the CityCenterDC mixed-use development project

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015 US$	2014 US$
Share of joint venture's statement of financial position		
Total assets	135,052,922	123,068,208
Total liabilities	78,620,637	67,458,564
Equity	56,432,285	55,609,644
Proportion of the Group's ownership	90%	90%
Carrying amount of the investment	50,789,057	50,048,680
Share of joint ventures results		
Total income / (loss)	11,134,000	(13,116,390)
Total expenses	(10,311,359)	(8,122,827)
Profit / (loss) for the year	822,641	(21,239,217)
Group's share of profit for the year	740,377	(19,115,295)

5 INVESTMENT IN JOINT VENTURES (CONTINUED)

(vi) *CCDC Hotel L.L C*
The Group holds 90% of the ownership interest in CCDC Hotel L L C, which was registered and incorporated on 24 April 2014 The Company is engaged in the development and construction of a 360 room hotel adjacent to CityCenterDC mixed-use development. The project is in preconstruction phase, with construction expected to commence in the second half of 2016. The project is currently funded 49 15% by the Group, which will increase to 90% once construction commences

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015 US$	*2014* US$
Share of joint venture's statement of financial position:		
Total assets	17,382,806	10,809,785
Total liabilities	499,484	-
Equity	16,883,322	10,809,785
Proportion of the Group's ownership	49.15%	50%
Carrying amount of the investment	8,298,646	5,404,893
Share of joint ventures results		
Total expenses	-	(480)
Loss for the year / period	-	(480)
Group's share of profit for the year / period	-	(240)

(vii) *CCDC Retail Parcel B L L C*
The Group holds 90% of the ownership interest in CCDC Retail Parcel B L.L C , which was registered and incorporated on 24 April 2014. The Company is engaged in the development and construction of 30,000SF of retail space within the hotel development and adjacent to the CityCenterDC mixed-use development. The project is in preconstruction phase, with construction expected to commence in the second half of 2016. The project is currently funded 49.15% by the Group, which will increase to 90% once construction commences

The following table summarises the financial information of the Group's investment in the joint venture entity

	2015 US$	*2014* US$
Share of joint venture's statement of financial position:		
Total assets	3,645,123	2,112,301
Total liabilities	121,279	699
Equity	3,523,844	2,111,602
Proportion of the Group's ownership	49.15%	50%
Carrying amount of the investment	1,729,483	1,055,800
Share of joint ventures results		
Total expenses	-	(480)
Loss for the year / period	-	(480)
Group's share of profit for the year / period	-	(240)

5 INVESTMENT IN JOINT VENTURES (CONTINUED)

The joint ventures' financial statements are prepared using Generally Accepted Accounting Principles in the United States of America The following significant adjustments were made to align the joint ventures' financial statements with the accounting policies of the Group (amounts shown are aggregate figures for all joint ventures)

	2015 *US$*	*2014* *US$*
Reclassification to investment property	**955,000,000**	917,000,000
Reclassification to inventories	**29,231,050**	23,966,490
Recognition of deferred tax assets	**-**	1,432,793
Recognition of deferred tax liabilities	**2,022,825**	-
Recognition of fair value (losses) gains	**(5,073,363)**	77,659,504
Recognition of gross profits from inventory sales	**-**	25,150,874

The fair value adjustment was done based on valuations produced by an independent valuer

At 31 December, the movements in the investment in joint ventures were as follows.

	2015 *US$*	*2014* *US$*
At 1 January	**503,286,041**	531,002,993
Additional investments	**3,567,437**	6,461,163
Dividends received	**(20,526,300)**	(119,200,652)
Share of profit for the year	**20,759,969**	85,022,537
At 31 December	**507,087,147**	503,286,041

6 SHARE CAPITAL

The authorised share capital of the Group is US$ 292,273 (2014 US$ 292,273) divided into 29,227,307 (2014: 29,227,307 2013 47,084,450) participating shares of US$ 0 01 par value These shares are divided further into 144,450 (2014 144,450 2013 144,450) voting shares and 29,082,857 (2014: 29,082,857 2013 46,940,000) non-voting shares authorised for issue to Qatari Diar Real Estate Investment Company Q S C Both classes of shares are issuable at US$ 10 per share, with the excess above par values credited to a share premium reserve

The share premium reserve is available for use only in the circumstances prescribed in the Company's Articles of Association

Quantitative information about the Company's capital is provided in the table below. These shares are entitled to dividends when declared and to payment of a proportionate share of the Company's net asset value upon winding up of the Company

At 31 December, the issued share capital is as follows

	Number of shares	*Par value*	*31 December 2015*		
			Share capital US$	*Share premium US$*	*Total US$*
Shares					
Voting shares	**144,450**	**US$ 0.01**	**1,445**	**1,443,056**	**1,444,501**
Non-voting shares	**29,082,857**	**US$ 0.01**	**290,828**	**219,109,175**	**219,400,003**
	29,227,307		**292,273**	**220,552,231**	**220,844,504**

6 SHARE CAPITAL (CONTINUED)

	Number of shares	*Par value*	*31 December 2014* *Share capital US$*	*Share premium US$*	*Total US$*
Shares					
Voting shares	144,450	US$ 0 01	1,445	1,443,056	1,444,501
Non-voting shares	29,082,857	US$ 0 01	290,828	219,109,175	219,400,003
	29,227,307		292,273	220,552,231	220,844,504

During the year ended 31 December 2014, the Group had repurchased 17,857,143 non-voting shares at a price of US$ 14 per share (2013 Nil). based on a board resolution dated 27 March 2014

The Net Asset Value (NAV) calculated per the Company's equity under IFRS is as follows.

31 December 2015	***Voting shares***	***Non-voting shares***
Share capital and share premium (US$)	**1,444,501**	**219,400,003**
Retained earnings (US$)	**489,871**	**98,628,326**
Equity at 31 December 2015 (US$)	**1,934,372**	**318,028,329**
No of shares in issue	**144,450**	**29,082,857**
Net Asset Value per share (US$)	**13.39**	**10.94**

31 December 2014	*Voting shares*	*Non-voting shares*
Share capital and share premium (US$)	1,444,501	219,400,003
Retained earnings (US$) – Restated	479,591	96,558,558
Equity at 31 December 2014 (US$) – Restated	1,924,092	315,958,561
No. of shares in issue	144,450	29,082,857
Net Asset Value per share (US$)	13 32	10.86

7 TAX

The Group is subject to corporate income tax in the United Kingdom and the United State of America for the share of taxable profit attributable to the Group's subsidiaries The reconciliation between the accounting basis results and the tax basis results is as follows

	2015 US$	*2014 US$*
Corporation tax		
Current year	47,964	4,623,698
Adjustments in respect of prior years	-	834,285
	47,964	5,457,983
Deferred tax	(1,464,622)	22,455,025
Total tax (credit) / expense	(1,416,658)	27,913,008

Corporation tax is calculated at 20 per cent (2014. 21 per cent) of the estimated taxable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The credit for the year can be reconciled to the profit in the statement of comprehensive income as follows:

	2015 US$	*2014 US$*
Profit before tax on continuing operations	663,390	32,976,712
Tax at the UK corporation tax rate of 20 % (2014 21 % 2013: Nil%))	132,678	6,925,110
Tax effect of expenses that are not deductible in determining taxable profit	(2,884,131)	17,657,323
Tax effect of income not taxable in determining taxable profit	-	(1,447,039)
Change in unrecognised deferred tax assets	1,268,675	9,763,105
Effect of different tax rates of operations in other jurisdictions	66,120	(5,819,776)
Prior year adjustment	-	834,285
Tax (credit) / expense for the year	(1,416,658)	27,913,008

In addition to the amount charged to the statement of comprehensive income, the following amounts relating to tax have been recognized directly in equity·

	Year ended 2015 US$	*Year ended 2014 US$*
Current tax	-	-
Deferred tax		
Arising on fair value gains	-	22,455,025
Total income tax recognised directly in equity	-	22,455,025

Group relief is surrendered in accordance with the provisions of Part 5 of the Corporation Tax Act 2010. Where losses exceed amounts surrendered to other members of the QD US Real Estate Group, these losses will be carried forward

7 TAX (CONTINUED)

	2015 US$	2014 US$
Deferred tax liabilities:		
Joint ventures	87,339,603	88,804,225

Deferred tax is arising from taxable temporary difference associated with the investment in joint ventures due to fair valuation of underlying property Tax rate used was 35%, the US tax rate applicable to the subsidiaries directly holding the investments in joint ventures

8 ACCRUALS AND PROVISIONS

	2015 US$	2014 US$
Provision for promote expenses (Note 3)	29,167,292	28,164,687
Other accrued expenses	296,135	146,079
	29,463,427	28,310,766

9 RETAINED EARNINGS

	US$
Balance at 1 January 2014 – Restated	91,974,445
Net profit for the year – Restated	5,063,704
Balance at 1 January 2015	97,038,149
Net profit for the year	2,080,048
Balance at 31 December 2015	99,118,197

Included within retained earnings as at 31 December 2015 is an amount of US$11,906,245 (2014: US$104,348,871) that represents unrealised profits arising on revaluation of the underlying property of the Group's investments in joint ventures

10 RELATED PARTY DISCLOSURES

Related parties represent associated entities, shareholder, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties Pricing policies and terms of these transactions are approved by the Group's management

Transactions with related parties included in the consolidated statement of comprehensive income is as follows:

	2015 *US$*	*2014* *US$*
Finance costs	16,652,010	12,959,666
Interest income	-	803,055
General and administrative expenses	2,025,177	320,085
Fund management fees	-	10,998,735

Balances with related parties included in the consolidated statement of financial position are as follows

	2015		*2014*	
	Receivables ***US$***	***Payables*** ***US$***	*Receivables* *US$*	*Payables* *US$*
Shareholder				
Qatari Diar Real Estate Investment Company Q S C (i)	19,001,265	277,639,346	19,003,923	294,252,184
Other related parties				
The First Investor Q S C C.	-	-	-	310,223
Qatari Diar UK Ltd	-	910,668	-	-
QD Americas Inc.		1,353,929	-	-
	19,001,265	279,903,943	19,003,923	294,562,407

Note

(i) Amounts due to related parties include facilities obtained from Qatari Diar Real Estate Investment Company Q S.C. amounting to $ 250,000,000 The amounts are due in one installment on 27 March 2017 or such extended date as agreed by the lender at its discretion The facility carries interest at 6% per annum

	2015 *US$*	*2014* *US$*
Amounts due to related parties presented in the consolidated statement of financial position as		
Current portion	2,319,221	13,282,407
Non-current portion	277,584,722	281,280,000
	279,903,943	294,562,407

Terms and conditions of transactions with related parties

Transactions with related parties are made at terms agreed by the Directors. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash, except for the loans from related party, which carries interest at market rates. There have been no guarantees provided or received for any related party receivables or payables

Compensation of key management personnel

There was no remuneration paid to key management during the year

11 COMMITMENTS AND CONTINGENCIES

At 31 December 2015, the Group has contingent liabilities with Hines CCDC Partners Parcel B LLC in respect of capital commitments amounting to US$ 240 61 million (2014 US$ 218 69 million) These commitments relate to the cost of construction of the CCDC Parcel B Hotel and Retail projects.

12 FINANCIAL RISK MANAGEMENT

Objective and policies
The Group's principal financial liabilities comprise of amounts due to related parties and other accrued expenses The main purpose of these financial liabilities is to manage the working capital requirements for the Group's operations The Group has bank balances as financial assets, which arise directly from its operations as well as due from related party.

The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The management reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk
Interest rate risk arises due to the changes in market interest rates, affecting the floating rate financial instruments of the Group At the reporting date, the Group had no floating rate financial assets or financial liabilities, on which the Group would be exposed to interest rate risk (2014: Nil)

Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates The Group does not hedge its exposures to currency risk.

There are no financial instruments exposed to foreign currency fluctuations at the reporting date (2014 Nil)

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge a financial obligation and cause the other party to incur a financial loss, and arises from the operations of the Group The Group's exposure to credit risk is indicated by the carrying amount of its financial assets, which consists primarily of bank balances

The Group seeks to limit its credit risk with respect to banks by dealing with reputable banks The Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets in the consolidated statement of financial position

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the its reputation

The Group limits its liquidity risk by ensuring financing facilities are available from its shareholder, through capital calls or loans

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2015, based on contractual payment dates and current market interest rates

2015	*Less than 1 year US$*	*1 to 5 years US$*	*> 5 years US$*	*Total US$*
Amounts due to related parties	2,319,221	277,584,722	-	279,903,943
Other accrued expenses	296,135	-	-	296,135
Total	2,615,356	277,584,722	-	280,200,078

12 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

2014	*Less than 1 year US$*	*1 to 5 years US$*	*> 5 years US$*	*Total US$*
Amounts due to related parties	13,282,407	281,280,000	-	294,562,407
Other accrued expenses	146,079	-	-	146,079
Total	13,428,486	281,280,000	-	294,708,486

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the period ended 31 December 2015 and 2014.

Capital comprises share capital, share premium and retained earnings and is measured at 31 December 2015 US$319,962,701 (2014 (Restated)· US$ 317,882,653)

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities Financial assets consist of bank balances and due from related party Financial liabilities consist of amounts due to related parties and other accrued expenses

Fair values of financial instruments are not materially different from their carrying values

14 AUDITORS' REMUNERATION

Fees payable to Deloitte & Touche – Qatar and their associates for the audit of the Group's consolidated accounts for the year ended 31 December 2015 were US$48,000 (2014· US$44,900 Ernst & Young – Qatar)

Fees payable to Deloitte & Touche – Qatar and their associates for non-audit services to the Group for the year ended 31 December 2015 Nil Fees payable to Ernst & Young – Qatar and their associates for non-audit services in 2014 were US$7,500

15 PRIOR YEAR ADJUSTMENT

Deferred tax liability arising from taxable temporary differences associated with Group's investment in joint ventures were not recognised in the consolidated financial statements in the prior years The underlying investment properties of the Group's joint ventures were measured using the fair value model as per the Group's accounting policies and which had resulted in a temporary difference between tax base and accounting base of the investment properties Accordingly, the consolidated financial statements for the year ended 31 December 2014 have been restated to recognize deferred tax liability arising from taxable temporary difference associated with the Group's investment in joint ventures The effect of restatement is as follows

	2014 *US$*	*2013 (Cumulative)* *US$*
Effect of adjustments		
Increase in deferred tax expense and deferred tax liability	22,455,025	66,349,200
Decrease in retained earnings	(22,455,025)	(66,349,200)