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QD US PARCEL A (RESIDENTIAL) COMPANY

**DIRECTORS' REPORT AND
SEPARATE FINANCIAL STATEMENTS**

REGISTERED NUMBER FC 031876

31 DECEMBER 2015

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QD US Parcel A (Residential) Company

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QD US Parcel A (Residential) Company

Directors' report

The directors of QD US Parcel A (Residential) Company (the "Company") present their directors' report and separate financial statements for the year ended 31 December 2015

Principal activities and review of the business

QD US Parcel A (Residential) Company is a Company incorporated in the Cayman Islands. The registered office of the company is located at the offices of Maples Corporate Services Ltd, PO Box 309, Ugland House Grand Cayman 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

<i>Name of Shareholder</i>	<i>Interests</i>
QD US Real Estate Company	100%

Results and dividends

The profit for the year ended 31 December 2015 dealt with in the separate financial statements is US\$ 4,538,667 (2014: US\$ 4,281,506)

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

The directors declared a dividend of US\$14,600,000 in respect of the year ended 31 December 2015 (2014: Nil)

Directors

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

Fabien L Toscano (appointed since 31 March 2014, resigned on 23 August 2015)

Sean N Reid (appointed since 31 March 2014, resigned on 15 January 2016)

Thierry Boud'hors (appointed since 23 August 2015)

Sheikh Jassim Al Thani (appointed since 26 February 2016)

Directors' remuneration

There was no directors' remuneration during the year ended 31 December 2015 (2014: Nil)

Staff numbers and costs

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

Political contribution

The Company incurred no political expenditure during the year (2014: Nil)

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 9)

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 Company'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 Company'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

QD US Parcel A (Residential) Company

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) as adopted by the European Union. 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 031876

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
QD US Parcel A (Residential) Company

Report on the separate financial statements

We have audited the accompanying separate financial statements of QD US Parcel A (Residential) Company (the "Company"), which comprise the separate statement of financial position as at 31 December 2015 and separate statements of 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 separate financial statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate 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 entity'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 separate 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**

QD US Parcel A (Residential) Company

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	<i>Notes</i>	<i>2015 US\$</i>	<i>2014 US\$</i>
Management fees	8	(62,415)	(31,023)
Administrative expenses		(5,000)	(5,000)
Legal fees		(854)	(3,887)
Bank charge		(313)	(180)
Professional fees		<u>(13,766)</u>	<u>(2,602)</u>
OPERATING LOSS		(82,348)	(42,692)
Interest income	8	<u>4,621,015</u>	<u>4,324,198</u>
PROFIT BEFORE INCOME TAX		4,538,667	4,281,506
Income tax expense	5	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,538,667</u>	<u>4,281,506</u>

The attached notes 1 to 12 form part of these separate financial statements

QD US Parcel A (Residential) Company
SEPARATE STATEMENT OF FINANCIAL POSITION
At 31 December 2015

	<i>Notes</i>	2015 US\$	2014 US\$
ASSETS			
Non-current assets			
Investment in a subsidiary	3	26,190,061	26,190,061
Loan to a related party	8	54,517,057	65,313,534
		<u>80,707,118</u>	<u>91,503,595</u>
Current assets			
Loan to a related party	8	10,796,477	10,125,821
Prepayments		1,600	1,600
Bank balances		7,543,053	7,403,737
		<u>18,341,130</u>	<u>17,531,158</u>
TOTAL ASSETS		<u>99,048,248</u>	<u>109,034,753</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	4	30,758	30,758
Share premium	4	90,084,587	104,684,587
Retained earnings	7	8,791,520	4,252,853
Total equity		<u>98,906,865</u>	<u>108,968,198</u>
Liabilities			
Current liabilities			
Amounts due to a related party	8	124,217	61,802
Accrued expenses		17,166	4,753
Total liabilities		<u>141,383</u>	<u>66,555</u>
TOTAL EQUITY AND LIABILITIES		<u>99,048,248</u>	<u>109,034,753</u>


Thierry Boud'hors
Director

The attached notes 1 to 12 form part of these separate financial statements

QD US Parcel A (Residential) Company

SEPARATE STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	<i>Share capital US\$</i>	<i>Share premium US\$</i>	<i>Retained earnings US\$</i>	<i>Total US\$</i>
Balance at 1 January 2014 (unaudited)	26,190	26,163,871	(28,653)	26,161,408
Issuance of share capital (Note 4)	8,218	82,167,066	-	82,175,284
Buy back of shares (Note 4)	(3,650)	(3,646,350)	-	(3,650,000)
Total comprehensive income for the year	-	-	4,281,506	4,281,506
Balance at 31 December 2014	30,758	104,684,587	4,252,853	108,968,198
Dividend paid (Note 6)	-	(14,600,000)	-	(14,600,000)
Total comprehensive income for the year	-	-	4,538,667	4,538,667
Balance at 31 December 2015	<u>30,758</u>	<u>90,084,587</u>	<u>8,791,520</u>	<u>98,906,865</u>

The attached notes 1 to 12 form part of these separate financial statements

QD US Parcel A (Residential) Company
SEPARATE STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	<i>Notes</i>	2015 US\$	2014 US\$
OPERATING ACTIVITIES			
Profit before income tax		4,538,667	4,281,506
Adjustment for:			
Interest income	8	<u>(4,621,015)</u>	<u>(4,324,198)</u>
Operating cash flows before working capital changes		(82,348)	(42,692)
Working capital changes:			
Prepayments		-	(1,600)
Accrued expenses		12,413	2,910
Amounts due to a related party		<u>62,415</u>	<u>34,992</u>
Net cash flows used in operating activities		<u>(7,520)</u>	<u>(6,390)</u>
INVESTING ACTIVITY			
Net movement on loan to a related party		<u>14,746,836</u>	<u>(71,115,157)</u>
FINANCING ACTIVITIES			
Proceeds from issuance of share capital	4	-	82,175,284
Dividends paid	6	(14,600,000)	-
Buyback of shares	4	<u>-</u>	<u>(3,650,000)</u>
Net cash flow (used in) / generated from financing activities		<u>(14,600,000)</u>	<u>78,525,284</u>
NET INCREASE IN BANK BALANCES		139,316	7,403,737
Bank balances at 1 January		<u>7,403,737</u>	<u>-</u>
BANK BALANCES AT 31 DECEMBER		<u>7,543,053</u>	<u>7,403,737</u>

The attached notes 1 to 12 form part of these separate financial statements.

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 ACTIVITIES

QD US Parcel A (Residential) Company (the "Company") is a company domiciled and incorporated as a limited liability company in the Cayman Islands on 9 September 2010. The registered office of the Company is located at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

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:

<i>Name of the shareholder</i>	<i>Interests</i>
QD US Real Estate Company	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 Qatar, of which it is a member for which consolidated financial statements are drawn up.

These separate financial statements only relate to the activities, assets and liabilities of QD US Parcel A (Residential) Company and do not extend to include any other entities or investments of the Company. The Company has elected not to prepare consolidated financial statements in accordance with the provision of IFRS 10, as the Company's parent company, QD US Real Estate Company, prepares and issues consolidated financial statements. The copies of the consolidated financial statements are available at Companies House, Crown Way, Cardiff CF14 3UZ.

The separate financial statements of the Company 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 preparation

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

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

The separate financial statements are prepared under the historical cost convention.

Changes in accounting policies and disclosures

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

The following amendments to IFRS became effective for an accounting 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 separate financial statements of the Company.

Revised Standards:

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.

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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 Company 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

Management anticipates that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the separate financial statements of the Company in the period of initial application, other than certain presentation and disclosure changes

Summary of significant accounting judgments and estimates

Significant accounting judgments

The preparation of the Company's separate financial statements requires the management to make certain judgements that affect the preparation of and the amounts recognised in the separate financial statements. The most significant judgment was to decide on the functional currency of the Company. The primary objective of the Company is to generate returns in US\$, which is the capital raising currency. Also, the day-to-day activities of the Company 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

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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

Summary of significant accounting judgments and estimates (continued)

Use of estimates

The preparation of the Company's separate 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.

Summary of significant accounting policies

Investments in a subsidiary

Investments in a subsidiary is stated at cost less, where appropriate, provisions for impairment in the Company's separate financial statements.

Impairment of non-financial assets

The Company 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 Company 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 Company 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 separate 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 separate statement of comprehensive income.

Cash and cash equivalents

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

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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

Summary of significant accounting policies (continued)

Impairment and collectability 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 separate 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.

Other payables and accruals

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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 Company retains an option to repurchase part of a transferred asset), the Company 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 separate statement of comprehensive income.

Foreign currencies

Transactions in currencies other than the Company'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.

Dividend distributions

Dividend distributions are at the discretion of the Company. A dividend distribution to the Company's shareholder is accounted for as a deduction from realised or unrealised profit, share premium or as otherwise permitted by the Statute. A proposed dividend is recognised as a liability in the period in which it is approved in the meeting of the Board of Directors.

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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

Summary of significant accounting policies (continued)

Interest income

Interest income comprises interest from loan to subsidiary. Interest income is recognised as it accrues in the separate statement of comprehensive income, using the effective interest method.

Taxation

Income tax expense recognised in the separate 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 Company 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 bases of assets and liabilities and their carrying amounts.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on 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 the deferred taxes related to the same taxable entity and same taxation authority.

3 INVESTMENT IN A SUBSIDIARY

The Company has the following investment in a subsidiary:

Name of subsidiary	Country of incorporation	Company's effective shareholding		Company's cost of investment	
		2015	2014	2015 US\$	2014 US\$
CCDC Apartment Inc	United States	100%	100%	26,190,061	26,190,061

The subsidiary's principal place of business is 77 Grosvenor Street, London, W1K3JR. All shares issued and outstanding of the subsidiary are ordinary shares.

4 SHARE CAPITAL

The authorised share capital of the Company is US\$ 50,000 (2014: US\$ 50,000) divided into 50,000,000 (2014: 50,000,000) participating shares of US\$ 0.001 par value. Shares are issuable at US\$ 1 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					
Ordinary shares	30,757,589	US\$ 0.001	30,758	90,084,587	90,115,345

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

4 SHARE CAPITAL (CONTINUED)

	Number of shares	Par value	31 December 2014		
			Share capital US\$	Share premium US\$	Total US\$
Shares					
Ordinary shares	<u>30,757,589</u>	US\$ 0.001	<u>30,758</u>	<u>104,684,587</u>	<u>104,715,345</u>

During the year ended 31 December 2014, the Company had repurchased 3,650,000 shares at a price of US\$ 1 per share (2015 Nil), based on a board and shareholder's resolution both dated 19 August 2014 and the Company had issued 8,217,528 shares at \$10 based on a board resolution dated 28 February 2014

5 INCOME TAX

	2015 US\$	2014 US\$
Profit for the year	<u>4,538,667</u>	<u>4,281,506</u>
Tax at 21% - 2014	-	899,116
Tax at 20% - 2015	<u>907,733</u>	
Group relief claimed	<u>(907,733)</u>	<u>(899,116)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

Group relief is claimed 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.

6 DIVIDENDS

	2015 US\$	2014 US\$
Amounts recognised as distributions to equity holders in the period		
Final dividend paid for the year ended 31 December 2015 (equivalent to 47 cents per share, 2014 Nil cents per share)	<u>14,600,000</u>	<u>-</u>

The final dividend was paid out of the share premium under Article 38.1 of the Company's Memorandum and Articles of Association following approval by shareholders passing a written resolution. The payment of this dividend will not have any tax consequences on the Company.

7 RETAINED EARNINGS

	US\$
Balance at 1 January 2014 (unaudited)	(28,653)
Net profit for the year	<u>4,281,506</u>
Balance at 1 January 2015	4,252,853
Net profit for the year	<u>4,538,667</u>
Balance at 31 December 2015	<u>8,791,520</u>

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

8 RELATED PARTY DISCLOSURES

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

Related party transactions

Transactions with related parties included in the separate statement of comprehensive income is as follows.

	2015 US\$	2014 US\$
<i>Shareholder</i> QD US Real Estate Company Management fees	<u>62,415</u>	<u>31,023</u>
<i>Subsidiary</i> CCDC Apartment Inc Interest income	<u>4,621,015</u>	<u>4,324,198</u>

Related party balances

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

	2015 US\$	2014 US\$
<i>Loan to a related party</i> CCDC Apartment Inc		
Loan receivable	60,692,519	71,115,157
Interest receivable on loan	<u>4,621,015</u>	<u>4,324,198</u>
	<u>65,313,534</u>	<u>75,439,355</u>
<i>Classified as</i>		
Current – receivable within one year	<u>10,796,477</u>	<u>10,125,821</u>
Non-current – receivable after one year	<u>54,517,057</u>	<u>65,313,534</u>

The loan to a related party is denominated in US\$ and was granted on 28 February 2014. The loan carries an interest of 6.5% and is repayable in quarterly instalments over seven years commencing on March 17, 2014

	2015 US\$	2014 US\$
<i>Due to shareholder</i> QD US Real Estate Company	<u>124,217</u>	<u>61,802</u>

Terms and conditions of transactions with related parties

Transactions with related parties are made at terms approved by the Directors. Outstanding balances at the reporting date are unsecured, interest free and the settlement occurs in cash, except for the loans receivable, which carry 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.

9 FINANCIAL RISK MANAGEMENT

Objective and policies

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

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

9 FINANCIAL RISK MANAGEMENT (CONTINUED)

The main risks arising from the Company'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 Company'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 Company. At the reporting date, the Company had no floating rate financial assets or financial liabilities, on which the Company 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 Company 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 Company. The Company's exposure to credit risk is indicated by the carrying amount of its financial assets, which consists primarily of bank balances and loan to a related party.

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks. The Company'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 separate statement of financial position and loan to a related party.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company'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 its reputation. The Company limits its liquidity risk by ensuring financing facilities are available from its shareholders, through capital calls.

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

	<i>Less than 1 year US\$</i>	<i>1 to 5 years US\$</i>	<i>> 5 years US\$</i>	<i>Total US\$</i>
2015				
Amounts due to a related party	<u>124,217</u>	<u>-</u>	<u>-</u>	<u>124,217</u>
	<i>Less than 1 year US\$</i>	<i>1 to 5 years US\$</i>	<i>> 5 years US\$</i>	<i>Total US\$</i>
2014				
Amounts due to a related party	<u>61,802</u>	<u>-</u>	<u>-</u>	<u>61,802</u>

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company 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 year ended 31 December 2015 and 2014.

Capital comprises share capital, share premium and retained earnings and is measured at 31 December 2015 US\$ 98,906,865 (2014 US\$ 108,968,198).

QD US Parcel A (Residential) Company

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2015

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents and loan to a related party. Financial liabilities consist of amounts due to a related party and accrued expenses.

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

11 AUDITORS' REMUNERATION

Fees payable to Deloitte & Touche – Qatar and their associates for the audit of the separate financial statements for the year ended 31 December 2015 were US\$3,500 (2014: US\$3,400). Ernst & Young – Qatar.

Fees payable to Deloitte & Touche – Qatar and their associates for non-audit services to the Company are 2015: US\$ Nil. Fees payable to Ernst & Young – Qatar and their associates for non-audit services in 2014 were US\$ Nil.

12 COMPARATIVE FIGURES

The comparative figures presented for 2014 have been reclassified where necessary to preserve consistency with the 2015 figures. These reclassifications did not have any effect on the separate comprehensive income or the total separate equity for the comparative year.