

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its  
subsidiaries  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)  
and review report**  
For the six month period ended 30 June 2015

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited) and review report  
For the six month period ended 30 June 2015**

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Al Johara Tower, 6<sup>th</sup> Floor  
Khaled Ben Al Waleed Street, Sharq  
P.O. Box 25578, Safat 13116  
Kuwait  
Tel: +965 2242 6999  
Fax: +965 2240 1666  
www.bdo.com.kw



ALDAR International  
Accountants and Consultants

P O Box 25597  
Safat 13116, Kuwait  
Tel + 965 - 2461490  
Fax + 965 - 2461493  
Email: aldar\_of@hotmail.com

**Independent auditor's report on review of interim condensed consolidated financial information to the Board of Directors of Dar Al-Thuraya Real Estate Company K.P.S.C.**

**Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Dar Al-Thuraya Real Estate Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2015, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended. The Parent Company's management is responsible for preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

**Scope of review**


We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

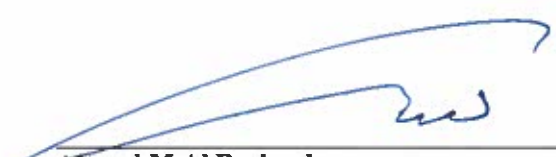
**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

**Report on other legal and regulatory requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that nothing has come to our attention indicating any contravention during the six month period ended 30 June 2015, of the Companies Law No. 25 of 2012, as amended, and its executive regulation, nor the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the six month period ended 30 June 2015 that might have had a material effect on the business of the Group or its consolidated financial position.

  
\_\_\_\_\_  
Qais M. Al Nisf  
Licence No. 38 – A  
BDO Al Nisf & Partners

  
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Ahmad M Al Rasheed  
Licence No. 39 – A  
Al-Dar International – DFK International

Kuwait: 12 August 2015

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)**  
**As at 30 June 2015**

		<b>30 June</b>	<b>31 December</b>	<b>30 June</b>
		<b>2015</b>	<b>2014</b>	<b>2014</b>
	Notes	KD	(Audited) KD	KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		2,071,406	2,125,801	5,170
Right of use		5,048,236	5,048,236	-
Investment properties	4	17,330,467	14,875,000	20,765,072
Due from related parties	5	78,536	111,674	24,469
Project prepayments		-	-	264,050
Available for sale investments	6	7,500	-	-
		<u>24,536,145</u>	<u>22,160,711</u>	<u>21,058,761</u>
<b>Current assets</b>				
Inventories		295,359	297,973	68,698
Trade and other receivables	7	1,404,115	759,180	857,895
Investments at fair value through profit or loss	8	2,629,434	-	-
Islamic deposits		-	-	100,000
Bank balances and cash	9	99,747	143,768	35,206
		<u>4,428,655</u>	<u>1,200,921</u>	<u>1,061,799</u>
<b>Total assets</b>		<u>28,964,800</u>	<u>23,361,632</u>	<u>22,120,560</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital		14,650,000	14,650,000	14,650,000
Statutory reserve		866,845	866,845	864,918
Voluntary reserve		866,845	866,845	864,918
Revaluation surplus reserve		99,834	99,834	-
Foreign currency translation reserve		-	-	(388)
Retained earnings		1,669,402	1,420,370	1,254,776
<b>Equity attributable to the equity holders of the Parent Company</b>		<u>18,152,926</u>	<u>17,903,894</u>	<u>17,634,224</u>
Non-controlling interests		30,769	30,305	1,827,824
<b>Total equity</b>		<u>18,183,695</u>	<u>17,934,199</u>	<u>19,462,048</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		226,656	193,177	133,573
Due to related parties	5	10,218,036	4,970,869	1,725,936
		<u>10,444,692</u>	<u>5,164,046</u>	<u>1,859,509</u>
<b>Current liabilities</b>				
Other credit balances		336,413	263,387	799,003
<b>Total liabilities</b>		<u>10,781,105</u>	<u>5,427,433</u>	<u>2,658,512</u>
<b>Total equity and liabilities</b>		<u>28,964,800</u>	<u>23,361,632</u>	<u>22,120,560</u>

The notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Adel Mohammed Hamoud Al Hudaib  
 Chairman

Ahmad Abdurazzaq Albahr  
 Vice Chairman

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated statement of income (Unaudited)  
For the six month period ended 30 June 2015**

	Notes	Three months ended 30 June		Six months ended 30 June	
		2015 KD	2014 KD	2015 KD	2014 KD
Sales		237,524	-	500,588	-
Cost of sales		7,177	-	(19,046)	-
<b>Gross profit</b>		<b>244,701</b>	<b>-</b>	<b>481,542</b>	<b>-</b>
Net rental income	10	244,133	136,617	428,800	240,370
Profits from saving accounts		-	1,188	420	10,591
Unrealised (loss)/gain on investments at fair value through profit or loss		(4,667)	-	100,346	-
Realised gain on sale of investments at fair value through profit or loss		4,986	-	6,026	-
Realised gain on sale of investment properties		-	6,299	-	19,364
Management fees		(275)	1,339	7,408	3,969
Other income		2,370	-	4,258	3,104
<b>Net operating income</b>		<b>491,248</b>	<b>145,443</b>	<b>1,028,800</b>	<b>277,398</b>
General and administrative expenses		(329,424)	(200,850)	(677,826)	(383,610)
Provision for accrued rentals		-	-	-	(60,000)
Depreciation		(42,199)	(73)	(88,947)	(144)
<b>Profit/(loss) before provisions for Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat</b>		<b>119,625</b>	<b>(55,480)</b>	<b>262,027</b>	<b>(166,356)</b>
KFAS		(1,068)	-	(2,354)	-
NLST		(3,553)	-	(7,270)	-
Zakat		(1,421)	-	(2,907)	-
<b>Profit/(loss) for the period</b>		<b>113,583</b>	<b>(55,480)</b>	<b>249,496</b>	<b>(166,356)</b>
<b>Attributable to:</b>					
Equity holders of the Parent Company		111,606	(46,953)	249,032	(152,385)
Non-controlling interests		1,977	(8,527)	464	(13,971)
<b>Profit/(loss) for the period</b>		<b>113,583</b>	<b>(55,480)</b>	<b>249,496</b>	<b>(166,356)</b>
<b>Basic and diluted earnings/(loss) per share</b>	11	<b>0.76</b>	<b>(0.32)</b>	<b>1.70</b>	<b>(1.04)</b>

The notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of comprehensive income (Unaudited)**  
**For the six month period ended 30 June 2015**

	Three months ended 30 June		Six months ended 30 June	
	2015 KD	2014 KD	2015 KD	2014 KD
<b>Profit/(loss) for the period</b>	<u>113,583</u>	<u>(55,480)</u>	<u>249,496</u>	<u>(166,356)</u>
<b>Other comprehensive income/(loss) items:</b>				
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>				
Foreign currency translation reserve	-	(9)	-	17
<b>Other comprehensive (loss)/income for the period</b>	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>17</u>
<b>Total comprehensive income/(loss) for the period</b>	<u>113,583</u>	<u>(55,489)</u>	<u>249,496</u>	<u>(166,339)</u>
<b>Attributable to:</b>				
Equity holders of the Parent Company	111,606	(46,962)	249,032	(152,368)
Non-controlling interests	1,977	(8,527)	464	(13,971)
	<u>113,583</u>	<u>(55,489)</u>	<u>249,496</u>	<u>(166,339)</u>

The notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries  
State of Kuwait

Interim condensed consolidated statement of changes in equity (Unaudited)  
For the six month period ended 30 June 2015

	Share capital KD	Statutory reserves KD	Voluntary reserve KD	Revaluation surplus reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Equity attributable to the equity holders of the Parent Company KD	Non-controlling interests KD	Total equity KD
As at 1 January 2015	14,650,000	866,845	866,845	99,834	-	1,420,370	17,903,894	30,305	17,934,199
Total comprehensive income for the period	-	-	-	-	-	249,032	249,032	464	249,496
As at 30 June 2015	14,650,000	866,845	866,845	99,834	-	1,669,402	18,152,926	30,769	18,183,695
As at 1 January 2014	14,650,000	864,918	864,918	-	(405)	1,283,854	17,663,285	2,165,102	19,828,387
Loss for the period	-	-	-	-	-	(152,385)	(152,385)	(13,971)	(166,356)
Other comprehensive income for the period	-	-	-	-	17	-	17	-	17
Total comprehensive income/(loss) for the period	-	-	-	-	17	(152,385)	(152,368)	(13,971)	(166,339)
Acquisition of non-controlling interests (note 3)	-	-	-	-	-	123,307	123,307	(323,307)	(200,000)
As at 30 June 2014	14,650,000	864,918	864,918	-	(388)	1,254,776	17,634,224	1,827,824	19,462,048

The notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated statement of cash flows (Unaudited)  
For the six month period ended 30 June 2015**

	Notes	Six months ended 30 June	
		2015 KD	2014 KD
<b>Operating activities</b>			
Profit/(loss) for the period		249,496	(166,356)
<i>Adjustment for:</i>			
Profits from saving accounts		(420)	(10,591)
Unrealised gain on investments at fair value through profit or loss	8	(100,346)	-
Realised gain on sale of investments at fair value through profit or loss		(6,026)	-
Realised gain on sale of investment properties		-	(19,364)
Depreciation		88,947	144
Provision for accrued rentals		-	60,000
Provision for employees' end of service benefits		35,633	38,524
		<u>267,284</u>	<u>(97,643)</u>
<i>Changes in working capital:</i>			
Due from/to related parties - net		(299,802)	636,916
Inventories		2,614	-
Trade and other receivables		(423,865)	34,720
Other credit balances		71,516	(148,072)
<b>Cash flows generated from operations</b>		<u>(382,253)</u>	<u>425,921</u>
Payment of employees' end of service benefits		(3,079)	-
<b>Net cash flows (used in)/from operating activities</b>		<u>(385,332)</u>	<u>425,921</u>
<b>Investing activities</b>			
Purchase of property and equipment		(34,467)	-
Purchase of investment properties		(98,468)	(838,847)
Proceeds from sale of investment properties		-	214,433
Proceeds from sale of financial investments at fair value through profit or loss		436,406	-
Profits received from saving accounts		420	10,591
<b>Net cash flows from/(used in) investing activities</b>		<u>303,891</u>	<u>(613,823)</u>
Net decrease in bank balances and cash		(81,441)	(187,902)
Bank balances and cash through transfer of subsidiaries		37,420	-
Bank balances and cash at the beginning of the period		143,768	223,108
<b>Bank balances and cash at the end of the period</b>	9	<u>99,747</u>	<u>35,206</u>

The Group has the following non-cash transactions during the period which are not presented in the consolidated statement of cash flows.

	30 June 2015 KD	30 June 2014 KD
<b>NON CASH TRANSACTIONS</b>		
Transfer of subsidiaries from Al Madar Finance and Investment Company K.P.S.C.	1,543,065	-
Purchase of investments at fair value through statement of profit or loss (note 8)	2,959,468	-

The notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.



**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the six month period ended 30 June 2015**

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**1. Corporate information**

Dar Al-Thuraya Real Estate Company K.P.S.C. ("the Parent Company") was incorporated on 5 September 2004 in accordance with Kuwait Companies Law.

The Parent Company is principally engaged in the following activities in compliance with the Islamic Shariaa' which are:

- Acquisition, sale, purchase, development of real estates and land in favor of the Parent Company in Kuwait and abroad and management of third party properties without violating law.
- Acquisition, sale, purchase the shares and bonds of real estate companies only in favor of the Parent Company in Kuwait and abroad.
- Preparing studies and providing consultancy in the real estate sector in all its types.
- Maintenance activities including civil, mechanical, electrical, elevators, and air conditioning maintenance.
- Organizing real estate exhibitions related to the Parent Company's real estate projects.
- Arranging real estate auctions.
- Acquisition and management of commercial malls and residential complexes.
- Utilisation of the financial surpluses available with the Parent Company through investing the same in financial portfolios managed by specialised companies and entities.
- Direct contribution in the infrastructure of areas.
- Direct contribution in the infrastructure of residential, commercial and industrial areas and projects through (B.O.T) system and management of real estate facilities under the same system.

The Parent Company carries out the above activities directly in the State of Kuwait and abroad, for itself or through agency. The Parent Company may have interest or participate in entities with similar activities or that may help the Company achieving its objectives inside Kuwait or abroad. The Parent Company may also establish, participate in, or purchase these entities or affiliate them.

The Parent Company's shares was listed on the Kuwait Stock Exchange on 18 August 2009.

The Company's registered office address is P.O. Box 1376, Safat 13014, State of Kuwait.

The interim condensed consolidated financial information includes the financial information of the Parent Company and its subsidiaries together (the "Group") (note 3).

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
**For the six month period ended 30 June 2015**

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**1. Corporate information (Continued)**

The Parent Company is a subsidiary of Al-Madar Finance and Investment Company K.P.S.C., a Company listed in the Kuwait Stock Exchange.

The interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries (the "Group") for the six month period ended 30 June 2015 were authorised for issue by the Parent Company's Board of Directors on 12 August 2015.

**2. Basis of preparation**

The interim condensed consolidated financial information have been prepared in accordance with the IAS 34, "Interim Financial Reporting". They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014. In the opinion of management all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six month period ended 30 June 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is also the functional currency of the Group.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new standards and amendments effective as of 1 January 2015. The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group.

The nature and the impact of each new standard or amendment are described below:

**IAS 19 Employee Benefits (Revised)**

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

## 2. Basis of preparation (Continued)

### Annual improvements to 2010-2012 Cycle

These improvements are effective from 1 July 2014. The Group has applied these amendments for the first time to these interim condensed consolidated financial information. They include:

- **IFRS 2 Share-based Payments**

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

These amendments do not have impact on the Group's accounting policies.

- **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This amendment does not have impact on the Group's accounting policies.

- **IFRS 8 Operating Segments**

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group did not apply the aggregation criteria in paragraph 12 of IFRS 8. The Group has presented reconciliation of segment assets to total assets in previous periods and it continues disclosing that in this interim condensed consolidated financial information.

- **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either amending the gross carrying value of assets to its market value or by determining the market value of the carrying value and amending the total carrying value proportionally to equal the carrying value resulting from this market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation amendments during the current interim period.

**2. Basis of preparation (Continued)**

• **IAS 24 Related Party Disclosures**

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant to the Group as it does not receive any administrative services from other entities.

**Annual improvements to 2011-2013 Cycle**

These improvements are effective from 1 July 2014. The Group has applied these amendments for the first time to these interim condensed consolidated financial information. They include:

• **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3; and
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

This amendment does not have impact on the Group's accounting policies.

• **IFRS 13 Fair Value Measurement**

The amendment is applied prospectively and clarifies that the portfolios exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolios exception in IFRS 13.

• **IAS 40 Investment Properties**

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. In previous periods the Group has used IFRS 3, not IAS 40, to determine if the acquisition is of an asset or business. Accordingly, this amendment does not have impact on the Group's accounting policies.

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

• *Financial assets as fair value through profit or loss*

A financial asset at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied. Financial assets at fair value through profit and loss are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of profit or loss.

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
**For the six month period ended 30 June 2015**

**3. Subsidiaries**

The details of the subsidiaries are as follows:

<u>Company name</u>	<u>Country of incorporation</u>	<u>Legal entity</u>	<u>Ownership interest</u>			<u>Activity</u>
			<u>30 June 2015</u>	<u>31 December 2014 (Audited)</u>	<u>30 June 2014</u>	
Al Murooj Gulf Trading	Oman	O.S.C.	-	-	75%	Construction and building contracts
Al-Madar Real Estate Development Company	Kuwait	K.S.C.C	-	-	59.28%	Real estate
Al-Thuraya Star Company	Kuwait	W.L.L.	99%	99%	99%	General trading and contracting
Madar Al Kuwait Building Contracts Company	UAE	L.L.C.	-	-	99%	Construction and building contracts
Kuwait Building Real Estate Company	Kuwait	K.S.C.C.	96%	-	-	Real estate
Pack and Move Holding	Kuwait	K.S.C. (Holding)	99.88%	99.88%	-	Holding
Golden Madar Real Estate Company	Kuwait	W.L.L.	98%	-	-	Real estate

During the period, the Group has consolidated the interim financial information for the six month period ended 30 June 2015 for Pack and Move Holding K.S.C. (Holding), Al-Thuraya Star Company W.L.L., Kuwait Mabani Real Estate Company K.S.C. (Closed) and Golden Madar Real Estate Company W.L.L. based on financial statements prepared by the management of these companies as at 30 June 2015.

During the period, the Al-Madar Finance and Investment Company K.P.S.C has signed contracts by which it assigned its share of 96% in its subsidiaries (Kuwait Mabani Real Estate Company K.S.C.C.) and 98% in (Golden Madar Real Estate Company W.L.L.) in favor of its subsidiary, Dar Al-Thuraya Real Estate Company K.P.S.C. This has resulted in a due to a related party amounting to KD 1,543,065(31 December: nil and 30 June 2014: nil).

During 2013, the Group increased its share in the subsidiary "Al Madar Real Estate Development Company K.S.C.C." by 7.14% through the acquisition of non-controlling interests at an amount of KD 200,000. The net book value of the acquired assets and liabilities exceeded the paid amount with KD 123,307; such difference was included in equity.

**Dar Al-Thuraya Real Estate Company K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the six month period ended 30 June 2015

**3. Subsidiaries (Continued)**

The carrying value of assets and liabilities transferred from Al Madar Finance and Investment Company K.P.S.C. are as follows:

	<u>1 January 2015</u>
	KD
<b>Kuwait Building Real Estate Company K.S.C (Closed)</b>	
Other assets	548,083
Available for sale investments	7,500
Investment properties	2,356,999
Due from related parties	83,665
Trade and other receivables	19
Bank balances	8
Due to related parties	(1,709,322)
Trade payables and other credit balances	(1,510)
	<u>1,285,442</u>
Al-Madar Finance and Investment Company K.P.S.C's share in net transferred assets	<u>1,234,024</u>

	<u>1 January 2015</u>
	KD
<b>Golden Madar Real Estate Company W.L.L.</b>	
Property and equipment	85
Trade and other receivables	221,051
Bank balances	37,412
Employees' end of service benefits	(925)
	<u>257,623</u>
Al-Madar Finance and Investment Company K.P.S.C's's share in net transferred assets	<u>252,471</u>

There are assignments from minority interests shareholders related to their share in both companies transferred to Dar Al-Thuraya Real Estate Company K.P.S.C.

**4. Investment properties**

	<u>30 June 2015</u>	<u>31 December 2014 (Audited)</u>	<u>30 June 2014</u>
	KD	KD	KD
<b>Investment properties</b>			
Balance at beginning of the period/year	10,615,000	7,663,559	7,663,559
Additions	-	6,122,941	1,500,000
Disposals	-	(1,800,289)	(720,000)
Net effect of transfer of subsidiaries	2,356,999	(1,188,271)	-
Transfers from projects in progress	2,010,588	-	-
Change in fair values	-	(182,940)	-
Balance at end of the period/year	<u>14,982,587</u>	<u>10,615,000</u>	<u>8,443,559</u>

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**4. Investment properties (Continued)**

	<b>30 June 2015</b>	<b>31 December 2014 (Audited)</b>	<b>30 June 2014</b>
	KD	KD	KD
<b>Projects in progress</b>			
Balance at beginning of the period/year	4,260,000	11,319,639	11,319,639
Additions	98,468	1,407,635	1,198,847
Disposals	-	(3,952,211)	(195,070)
Net effect of transfer of subsidiaries	-	(4,919,948)	-
Change in fair values	-	404,885	-
Transfers to investment properties	(2,010,588)	-	-
Foreign currency translation difference	-	-	(1,903)
Balance at end of the period/year	<u>2,347,880</u>	<u>4,260,000</u>	<u>12,321,513</u>
	<u>17,330,467</u>	<u>14,875,000</u>	<u>20,765,072</u>

**5. Related party transactions**

Related parties comprise of the Group's shareholders who are members of the Board of Directors, key management personnel, and subsidiaries in which the Parent Company has representatives in their board. In the normal course of business, and by approval of the Group's management, transactions were done with such related parties during the period ended 30 June 2015. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Balances due from/to related parties and related party transaction are as follows:

	<b>30 June 2015</b>	<b>31 December 2014 (Audited)</b>	<b>30 June 2014</b>
	KD	KD	KD
<b>Transactions with related parties</b>			
Purchase of investment properties (note 4)	1,706,999	6,122,941	1,500,000
Purchase of financial investments at fair value through statement of income (note 8)	2,959,467	-	-
Purchase of share in a subsidiary	-	-	200,000
Transfer of subsidiaries to Al Madar Finance and Investment Company	-	4,264,234	-
Transfer of subsidiaries from Al Madar Finance and Investment Company (note 3)	1,543,065	8,123,913	-
Sale of investment properties	-	1,800,289	720,000
Sale of properties under development	-	3,757,142	-
Investments at fair value through profit or loss managed by a related party	2,629,434	-	-
<b>Consolidated statement of financial position</b>			
Due from related parties	78,536	111,674	24,469
Due rentals	24,000	-	51,450
Due to related parties	10,218,036	4,970,869	1,725,936

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**5. Related party transactions (Continued)**

	Three months ended		Six months ended	
	30 June		30 June	
	2015	2014	2015	2014
	KD	KD	KD	KD
<b>Consolidated statement of income</b>				
Senior management benefits and salaries	51,591	63,487	126,787	126,787
Rent income	12,000	9,000	24,000	18,000

**6. Available for sale investments**

Local unquoted investments of KD 7,500 (31 December 2014: KD nil and 30 June 2014: KD nil) are carried at cost less impairment, due to the lack of an active market or other reliable measure of their fair value. Management is not aware of any indication of impairment in these investments.

**7. Trade and other receivables**

	30 June	31 December	30 June
	2015	2014	2014
	KD	(Audited) KD	KD
Trade receivables	650,773	334,811	-
Provision for doubtful debts	(62,315)	(60,815)	-
	588,458	273,996	-
Due rentals	439,949	441,463	484,860
Provision for accrued rentals	(100,000)	(100,000)	(100,000)
	339,949	341,463	384,860
Receivables on sale of real estate	-	-	377,550
Advance payment to purchase investment properties	329,529	-	-
Staff receivables	6,430	9,076	7,484
Prepaid expenses	87,400	71,370	66,026
Refundable deposits	52,349	63,275	21,975
	<u>1,404,115</u>	<u>759,180</u>	<u>857,895</u>



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**8. Investments at fair value through profit or loss**

This represents quoted investment in a foreign investment fund managed by a related party.

The movement analysis of investments at fair value through profit or loss for the period is as follows:

	<b>30 June 2015</b>	<b>31 December 2014 (Audited)</b>	<b>30 June 2014</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
<b>Financial investments at fair value through profit or loss</b>			
Balance at beginning of the period/year	-	-	-
Additions (note 5)	2,959,468	-	-
Disposals	(430,380)	-	-
Change in fair value	100,346	-	-
Balance at end of the period/year	<u>2,629,434</u>	<u>-</u>	<u>-</u>

**9. Bank balances and cash**

	<b>30 June 2015</b>	<b>31 December 2014 (Audited)</b>	<b>30 June 2014</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Bank balances - saving accounts	72,594	128,894	33,206
Cash on hand	27,153	14,874	2,000
	<u>99,747</u>	<u>143,768</u>	<u>35,206</u>

**10. Net rental income**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>	<u>KD</u>
Rental income	273,882	175,054	494,178	291,374
Rental costs	(29,749)	(38,437)	(65,378)	(51,004)
	<u>244,133</u>	<u>136,617</u>	<u>428,800</u>	<u>240,370</u>

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**11. Basic and diluted earnings/(loss) per share**

Basic and diluted earnings/(loss) per share is computed by dividing profit/(loss) for the period attributable to the equity holders of Parent Company by the weighted average number of ordinary shares outstanding during the period.

	Three months ended 30 June		Six months ended 30 June	
	2015	2014	2015	2014
Profit/(loss) for the period (KD)	111,606	(46,953)	249,032	(152,385)
Weighted average number of outstanding shares during the period (share)	146,500,000	146,500,000	146,500,000	146,500,000
Basic and diluted earnings/(loss) per share (fils)	0.76	(0.32)	1.70	(1.04)

**12. Annual general assembly meeting**

The Annual General Assembly meeting of the Parent Company for the year ended 31 December 2014 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2014 have not yet been approved. The interim condensed consolidated financial information for the six month period ended 30 June 2015 do not include any adjustments, which might have been required, had the General Assembly not approved the consolidated financial statements for the year ended 31 December 2014. The Directors of the Parent Company did not propose any dividends for the year ended 31 December 2014.

The Annual General Assembly meeting held on 6 June 2014 approved the consolidated financial statements for the year ended 31 December 2013, and approved no dividends for that year.

**13. Segmental information**

The management has grouped the Group's products and services into the following operating segments under IFRS 8 as follows:

*Operating segments*

The Group has determined the following two major business segments for internal reporting purposes:

- Investment property sector
- Financial investment sector
- Trading and Contracting sector

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**13. Segmental information (Continued)**

The financial information about business segments for the period ended 30 June is as follows:

	<u>Investment properties</u> KD	<u>Financial investments</u> KD	<u>Trading and Contracting</u> KD	<u>Total</u> KD
<b>30 June 2015</b>				
Total income	505,843	106,792	500,589	1,113,224
Segment results	440,466	106,792	(297,762)	249,496
Segment assets	22,378,703	2,736,681	3,849,417	28,964,800
Segment liabilities	7,588,602	2,629,434	563,069	10,781,105
<b>30 June 2014</b>				
Total income	317,811	10,591	-	328,402
Segment results	(176,947)	10,591	-	(166,356)
Segment assets	21,987,354	133,206	-	22,120,560
Segment liabilities	2,658,512	-	-	2,658,512

**14. Fair value disclosures**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

<b>30 June 2015</b>	<u>Level 1</u> KD	<u>Level 2</u> KD	<u>Total</u> KD
<b>Investments at fair value through profit or loss:</b>			
Quoted foreign securities	2,629,434	-	2,629,434
<b>Non-financial assets:</b>			
Investment properties	-	17,330,467	17,330,467
	<u>2,629,434</u>	<u>17,330,467</u>	<u>19,959,901</u>

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**14. Fair value disclosures (Continued)**

<b>31 December 2014 (Audited)</b>	<u>Level 1</u> KD	<u>Level 2</u> KD	<u>Total</u> KD
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<b>Non-financial assets:</b>			
Investment properties	-	14,875,000	14,875,000

<b>31 June 2014</b>	<u>Level 1</u> KD	<u>Level 2</u> KD	<u>Total</u> KD
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<b>Non-financial assets:</b>			
Investment properties	-	20,765,072	20,765,072

**15. Capital commitments**

	<u>30 June</u> <u>2015</u> KD	<u>(Audited)</u> <u>31 December</u> <u>2014</u> KD	<u>30 June</u> <u>2014</u> KD
<b>Capital commitments</b>			
Purchase investment properties	200,000	400,000	-