

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated financial information**  
**(Unaudited)**  
and independent auditor's review report for the six month  
period ended 30 June 2016

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)  
and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)  
and independent auditor's review report for the six month period ended 30 June 2016**

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**Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Dar Al-Thuraya Real Estate Co. K.S.C. (Public) State of Kuwait**

*Introduction*

We have reviewed the accompanying interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Co. K.S.C. (Public) ("The Parent Company") and its subsidiaries (together referred to as "the Group") which comprise the interim condensed consolidated statement of financial position as at 30 June 2016, 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 preparation and fair presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 34: (Interim Financial Reporting). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of review*


We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim condensed consolidated 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 International Accounting Standard 34.

**Report on Other Legal and Regulatory Matters**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations during the six month period ended 30 June 2016, of Companies Law No. 1 of 2016, and its executive regulations or of the Parent Company's articles and memorandum of association, as amended, have occurred during the six month period ended 30 June 2016, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.

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

  
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**Yahia Abdullah Alfodari**  
Licence No. 83 "A"  
Member of the Kuwaiti Association of  
Accountants and Auditors

**Kuwait: 10 August 2016**

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)**  
**As at 30 June 2016**

		<b>30 June</b>	<b>31 December</b>	<b>30 June</b>
	Notes	<b>2016</b>	<b>2015</b>	<b>2015</b>
		KD	(audited) KD	KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		6,983,903	7,041,824	7,019,642
Right of utilization		170,000	170,000	100,000
Investment properties	4	16,611,119	16,565,149	17,330,467
Due from related parties	5	376,383	324,173	78,536
Available for sale investments		5,000	5,000	7,500
		<u>24,146,405</u>	<u>24,106,146</u>	<u>24,536,145</u>
<b>Current assets</b>				
Inventories		319,178	321,164	295,359
Trade and other receivables	6	2,574,307	931,372	1,404,115
Investment at fair value through statement of income	7	-	1,625,262	2,629,434
Bank balances and cash	8	215,405	397,354	99,747
		<u>3,108,890</u>	<u>3,275,152</u>	<u>4,428,655</u>
<b>Total assets</b>		<u><u>27,255,295</u></u>	<u><u>27,381,298</u></u>	<u><u>28,964,800</u></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	866,845
Voluntary reserve		866,845	866,845	866,845
Revaluation surplus reserve		169,823	169,823	99,834
Retained earnings		847,448	813,648	1,669,402
<b>Equity attributable to the shareholders of the Parent Company</b>		<u>17,400,961</u>	<u>17,367,161</u>	<u>18,152,926</u>
Non-controlling interests		41,150	37,344	30,769
<b>Total equity</b>		<u>17,442,111</u>	<u>17,404,505</u>	<u>18,183,695</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		264,761	246,249	226,656
Due to related parties	5	9,170,454	9,359,466	10,218,036
		<u>9,435,215</u>	<u>9,605,715</u>	<u>10,444,692</u>
<b>Current liabilities</b>				
Other payables		377,969	371,078	336,413
<b>Total liabilities</b>		<u>9,813,184</u>	<u>9,976,793</u>	<u>10,781,105</u>
<b>Total equity and liabilities</b>		<u><u>27,255,295</u></u>	<u><u>27,381,298</u></u>	<u><u>28,964,800</u></u>

The notes on pages 7 to 15 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 Co. K.S.C. (Public)**  
**and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of income (Unaudited)**  
For the six month period ended 30 June 2016

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2016	2015	2016	2015
		KD	KD	KD	KD
Sales		178,710	237,524	395,424	500,588
Cost of sales		(11,204)	7,177	(30,074)	(19,046)
<b>Gross profit</b>		<u>167,506</u>	<u>244,701</u>	<u>365,350</u>	<u>481,542</u>
Net rental income	9	295,476	244,133	606,082	428,800
Profits from saving accounts		35	-	219	420
Unrealized profits/ (losses) on investment at fair value through statement of income	7	233,962	(4,667)	-	100,346
Realized (losses)/ profits on sale of investment at fair value through statement of income	7	(229,224)	4,986	(229,224)	6,026
Losses on foreign currency translation	7	(3,101)	-	(10,653)	-
Management fees		-	(275)	-	7,408
Other income		11,078	2,370	11,221	4,258
General and administrative expenses		(303,137)	(329,424)	(617,008)	(677,826)
Depreciation		(41,172)	(42,199)	(86,148)	(88,947)
<b>Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences and National Labour Support Tax and Zakat</b>		<u>131,423</u>	<u>119,625</u>	<u>39,839</u>	<u>262,027</u>
Kuwait Foundation for the Advancement of Sciences (KFAS)		(324)	(1,068)	(324)	(2,354)
National Labour Support Tax (NLST)		(1,364)	(3,553)	(1,364)	(7,270)
Zakat		(545)	(1,421)	(545)	(2,907)
<b>Net profit for the period</b>		<u>129,190</u>	<u>113,583</u>	<u>37,606</u>	<u>249,496</u>
<b>Attributable to:</b>					
Shareholders of the Parent Company		127,301	111,606	33,800	249,032
Non-controlling interests		1,889	1,977	3,806	464
<b>Net profit for the period</b>		<u>129,190</u>	<u>113,583</u>	<u>37,606</u>	<u>249,496</u>
<b>Basic and diluted earnings per share attributable to the Parent Company's shareholders (fils)</b>	10	<u>0.87</u>	<u>0.76</u>	<u>0.23</u>	<u>1.70</u>

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**Interim condensed consolidated statement of comprehensive income (Unaudited)**  
For the six month period ended 30 June 2016

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Net profit for the period</b>	<u>129,190</u>	<u>113,583</u>	<u>37,606</u>	<u>249,496</u>
<b>Other comprehensive income items:</b>				
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>				
Foreign currency translation reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other comprehensive income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u>129,190</u>	<u>113,583</u>	<u>37,606</u>	<u>249,496</u>
<b>Attributable to:</b>				
Shareholders of the Parent Company	127,301	111,606	33,800	249,032
Non-controlling interests	<u>1,889</u>	<u>1,977</u>	<u>3,806</u>	<u>464</u>
	<u>129,190</u>	<u>113,583</u>	<u>37,606</u>	<u>249,496</u>

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**Interim condensed consolidated statement of changes in equity (Unaudited)**  
For the six month period ended 30 June 2016

	Share capital	Statutory reserve	Voluntary reserve	Revaluation surplus reserve	Retained earnings	Equity attributable to the shareholders of the Parent Company	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD
As at 1 January 2016	14,650,000	866,845	866,845	169,823	813,648	17,367,161	37,344	17,404,505
Net profit for the period	-	-	-	-	33,800	33,800	3,806	37,606
Total comprehensive income for the period	-	-	-	-	33,800	33,800	3,806	37,606
As at 30 June 2016	14,650,000	866,845	866,845	169,823	847,448	17,400,961	41,150	17,442,111
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
Net profit for the period	-	-	-	-	249,032	249,032	464	249,496
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

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**Interim condensed consolidated statement of cash flows (Unaudited)**  
For the six month period ended 30 June 2016

	Notes	Six months ended 30 June	
		2016	2015
		KD	KD
<b>Operating activities</b>			
Net profit for the period		37,606	249,496
<i>Adjustment for:</i>			
Profits from saving accounts		(219)	(420)
Unrealised profit on investment at fair value through statement of income	7	-	(100,346)
Realized losses/(profits) on sale of investment at fair value through statement of income		229,224	(6,026)
Depreciation		86,148	88,947
Loss on foreign currency translation		10,653	-
Employees' end of service benefits		29,522	35,633
		<u>392,934</u>	<u>267,284</u>
<i>Changes in working capital:</i>			
Due (from) / to related parties - net		(241,222)	(299,802)
Inventories		1,986	2,614
Trade and other receivables		(257,550)	(423,865)
Other payables		6,891	71,516
		<u>(96,961)</u>	<u>(382,253)</u>
<b>Cash flows used in operations</b>		<u>(11,010)</u>	<u>(3,079)</u>
<b>Net cash flows used in operating activities</b>		<u>(107,971)</u>	<u>(385,332)</u>
<b>Investing activities</b>			
Payment for purchase of property, plant and equipment		(28,227)	(34,467)
Paid for purchase of investment properties	4	(45,970)	(98,468)
Proceeds on sale of investments at fair value through profit or loss		-	436,406
Received profits from saving accounts		219	420
		<u>(73,978)</u>	<u>303,891</u>
<b>Net cash flows (used in)/ generated from operating activities</b>		<u>(73,978)</u>	<u>303,891</u>
Net decrease in cash and bank balances		(181,949)	(81,441)
Cash and bank balances through transfer of subsidiaries		-	37,420
Cash and bank balances at the beginning of the period		397,354	143,768
<b>Cash and bank balances at the end of the period</b>	8	<u>215,405</u>	<u>99,747</u>

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

Non cash transactions	Six months ended 30 June	
	2016	2015
	KD	KD
Transfer of subsidiaries from Al Madar Finance and Investment Company K.S.C. (Public) (note 5)	-	1,543,065
Purchase of investments at fair value through statement of income (note 5)	-	2,959,468
Sale of investment at fair value through statement of income (note 7)	1,388,027	-

The notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.



**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**Notes to interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2016

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**1. General information**

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

The Company is principally engaged in the following activities in compliance with the Islamic Sharia as follows:

- 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.
- Organizing real estate tenders.
- Acquisition and management of commercial and residential complexes.
- Utilization of the financial surpluses available with the Parent Company through investing the same in financial portfolios managed by specialized 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 may practice the above activities inside the state of Kuwait and abroad either in its own name or by proxy. The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. The Company may also incorporate, purchase and/or participate in incorporation of such entities or affiliate them.

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

The Kuwait Companies Law issued on 24 January 2016 by Decree Law No. 1 of 2016 (the "Companies Law"), which was published in the Official Gazette on 1 February 2016, cancelled the Companies Law No. 25 of 2012, as amended. This Law shall be applicable as of 26 November 2012. The executive regulations of this law has been issued and published in the Official Gazette on 17 July 2016.

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

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

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**Notes to interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2016

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**1. General information (Continued)**

The Company is a subsidiary of Al Madar Finance and Investment Company K.S.C. (Public), which is listed in the Kuwait Stock Exchange, and is a subsidiary of Istihwaz Holding Company K.S.C. (Closed) (the ultimate Parent Company).

The interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Co. K.S.C. and its subsidiaries (the Group) for the six month period ended 30 June 2016 were authorized for issue by the Parent Company's board of directors on 10 August 2016.

**2. Basis of preparation**

The condensed consolidated interim financial information have been prepared in accordance with the International Accounting Standard 34, *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For further information, refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2015.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and amendments effective as of 1 January 2016. The nature and the impact of these changes are set out below. New standards and amendments apply for the first time in 2016. However, they do not impact 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/amendment is described below:

**a) New standards, interpretations and amendments effective from 1 January 2016**

Certain new and amended standards have been effective for the current period. However, the Group does not have to change its accounting policy or make adjustments retroactively as a result of adoption of these standards:

- Amendments to IAS 1 – Disclosure Initiative
- Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization
- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

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**Notes to interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2016

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

**a) New standards, interpretations and amendments effective from 1 January 2016 (continued)**

- Amendments to IAS 27 – Equity method in separate financial statements
- Amendments to IFRS 10, IFRS 12, and IAS 28 – Investment Entities: Applying the Consolidated Exception
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 11 – Accounting for acquisitions of interests in joint operations
- IFRS 14 – Regulatory Deferral Accounts
- Annual Improvements to IFRSs 2012–2014 Cycle

**b) Standards issued but not effective**

The following new and amended IASB Standards have been issued but are not yet effective, and have not been adopted by the group:

**IFRS 9 Financial Instruments**

The standard, effective for annual periods beginning on or after 1 January 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 specifies how an entity should classify and measure its financial instruments and includes a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Group anticipates that the application of IFRS 9 in the future may not have a material impact on amounts reported in respect of the Group's consolidated financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

**IFRS 15 - Revenue from contracts with customers**

The standard, effective for annual periods beginning on or after 1 January 2018, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the following existing standards and interpretations upon its effective date:

- IAS 18 – Revenue,
- IAS 11 – Construction Contracts,
- IFRIC 13 – Customer Loyalty Programs,
- IFRIC 15 – Agreements for the Construction of Real Estate,
- IFRIC 18 – Transfers of Assets from Customers, and,
- SIC 31 – Revenue-Barter Transactions Involving Advertising Services

The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

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**3. Subsidiaries**

The details of subsidiaries are as follows:

Company name	Country of incorporation	Legal entity	Ownership %			Activity
			30 June 2016	31 December 2015 (audited)	30 June 2015	
Al-Thuraya Star Company	Kuwait	W.L.L.	99%	99%	99%	General trading and contracting
Kuwait Mabani Real Estate Company	Kuwait	K.S.C. (Closed)	96%	96%	96%	Real estate
Pack & Move Holding	Kuwait	K.S.C. (Holding)	99.88%	99.88%	99.88%	Holding
Golden Madar Real Estate Company	Kuwait	W.L.L.	98%	98%	98%	Real estate

During the period, the Group has consolidated the interim financial information for the six month period ended 30 June 2016 for Althuraya Star Co. W.L.L., Mabani Real Estate Company K.S.C. (Closed), Pack & Move Holding K.S.C. (Holding) and Golden Madar Real Estate Company W.L.L. based on financial statements prepared by the management of these companies as at 30 June 2016.

**4. Investment properties**

	30 June 2016	31 December 2015 (audited)	30 June 2015
	KD	KD	KD
<b>Investment properties</b>			
Balance at the beginning of the period/ year/ period	14,312,999	10,615,000	10,615,000
Net effect of transfer of subsidiaries	-	2,356,999	2,356,999
Transferred from projects in progress	-	2,010,588	2,010,588
Change in fair value	-	(669,588)	-
Balance at end of the period/ year/ period	14,312,999	14,312,999	14,982,587
<b>Projects in progress</b>			
Balance at the beginning of the period/ year/ period	2,252,150	4,260,000	4,260,000
Additions	45,970	123,379	98,468
Transfer to investment properties	-	(2,010,588)	(2,010,588)
Change in fair value	-	(120,641)	-
Balance at end of the period/ year/ period	2,298,120	2,252,150	2,347,880
	16,611,119	16,565,149	17,330,467

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**Notes to interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2016

**5. Related party transactions**

Related parties comprise of the Group's shareholders who are members of the board of directors, 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 2016. 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:

	<u>30 June 2016</u>	<u>31 December 2015 (audited)</u>	<u>30 June 2015</u>
	KD	KD	KD
<b>Interim condensed consolidated statement of financial position:</b>			
Due from related parties	376,383	324,173	78,536
Due to related parties	9,170,454	9,359,466	10,218,036
Investment at fair value through statement of income (managed by a related party) (note 7)	-	1,625,262	2,629,434
<b>Related party transactions</b>			
Purchase of financial investments at fair value through statement of income	-	2,959,467	2,959,468
Transfer of subsidiaries from Al Madar Finance and Investment Company K.S.C. (Public)	-	1,543,065	1,543,065
Due rentals	24,000	6,000	24,000
	<u>Three months ended 30 June</u>	<u>Six months ended 30 June</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>
	KD	KD	KD
<b>Interim Condensed Consolidated Statement of Income:</b>			
Senior management's salaries and benefits	63,488	51,591	126,847
Rent income	12,000	12,000	24,000

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**Notes to interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2016

**6. Trade and other receivables**

	<b>30 June 2016</b>	<b>31 December 2015 (audited)</b>	<b>30 June 2015</b>
	KD	KD	KD
Trade receivables	572,944	482,300	650,773
Provision for doubtful debts	(60,815)	(60,815)	(62,315)
	<u>512,129</u>	<u>421,485</u>	<u>588,458</u>
Accrued rentals	539,993	459,408	439,949
Less: provision for accrued rentals	(100,000)	(100,000)	(100,000)
	<u>439,993</u>	<u>359,408</u>	<u>339,949</u>
Sale of investment receivables (note 7)	1,388,027	-	-
Project prepayments	34,918	30,211	329,529
Staff receivables	14,352	14,421	6,430
Prepaid expenses	115,089	46,962	87,400
Refundable deposits	35,965	35,965	52,349
Other debit balances	33,834	22,920	-
	<u>2,574,307</u>	<u>931,372</u>	<u>1,404,115</u>

**7. Investment at fair value through statement of income**

This represents quoted investment in a foreign investment fund managed by a related party (note 5).

Movement analysis of investments at fair value through profit statement of income for the period/ year/ period is as follows:

	<b>30 June 2016</b>	<b>31 December 2015 (audited)</b>	<b>30 June 2015</b>
	KD	KD	KD
Balance at the beginning of the period/ year/ period	1,625,262	-	-
Additions	-	2,959,467	2,959,468
Disposals	(1,614,609)	(1,176,562)	(430,380)
Change in fair value	-	(256,115)	100,346
Foreign currency translation differences	(10,653)	98,472	-
Balance at end of the period/ year/ period	<u>-</u>	<u>1,625,262</u>	<u>2,629,434</u>

The Fund has been liquidated during the period and KD 1,388,027 has been recognized in sale of investment receivables (note 6) which resulted in loss of KD 229,224 recognized in the interim condensed consolidated statement of income.

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**8. Bank balances and cash**

	<b>30 June 2016</b>	<b>31 December 2015 (audited)</b>	<b>30 June 2015</b>
	KD	KD	KD
Bank balances - saving accounts	194,267	373,033	72,594
Cash on hand	21,138	24,321	27,153
	<u>215,405</u>	<u>397,354</u>	<u>99,747</u>

Bank balances represent unrestricted current and saving accounts.

The average effective yield rate on the saving accounts as at 30 June 2016 was 0.73% per annum (31 December 2015: 0.73% per annum, and 30 June 2015: 0.73%).

**9. Net rental income**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	KD	KD	KD	KD
Rental income	361,755	273,882	717,020	494,178
Rental costs	<u>(66,279)</u>	<u>(29,749)</u>	<u>(110,938)</u>	<u>(65,378)</u>
	<u>295,476</u>	<u>244,133</u>	<u>606,082</u>	<u>428,800</u>

**10. Basic and diluted earnings per share attributable to the Parent Company's shareholders (fils)**

Basic and diluted earnings per share is computed by dividing net profit for the period attributable to the Parent Company shareholders by the weighted average number of ordinary shares outstanding during the period.

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit for the period attributable to the shareholders of the parent (KD)	<u>127,301</u>	<u>111,606</u>	<u>33,800</u>	<u>249,032</u>
Weighted average number of outstanding shares during the period (shares)	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>
Basic and diluted earnings per share attributable to the Parent Company's shareholders (fils)	<u>0.87</u>	<u>0.76</u>	<u>0.23</u>	<u>1.70</u>

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**11. General assembly of shareholders**

The annual ordinary general assembly of the shareholders for the year ended 31 December 2015 has not been held until the date of preparing this interim condensed consolidated financial information. Consequently, the consolidated financial statements for the year were not approved by the general assembly of the shareholders. The consolidated financial statements for the year ended 31 December 2015 do not include any adjustments that could have been necessary if the consolidated financial statements for the year then ended have been approved by the general assembly of the parent company's shareholders.

Due to the failure to convene the Annual General Meeting of the shareholders of the parent company until the date of preparation of the interim condensed consolidated financial information, the auditor has been appointed for review of interim condensed consolidated financial information by the board of directors. Such appointment is subject to the approval of the general assembly of parent company's shareholders when it is held.

**12. 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

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

	<b>Investment properties</b>	<b>Financial investments</b>	<b>Trading and Contracting</b>	<b>Total</b>
	KD	KD	KD	KD
<b>30 June 2016</b>				
Total income	717,020	(239,658)	406,645	884,007
Segment result	(9,152)	(239,658)	286,416	37,606
Segment assets	24,205,015	1,608,432	1,441,848	27,255,295
Segment liabilities	9,170,454	-	642,730	9,813,184
<b>30 June 2015</b>				
Total income	505,844	106,792	500,588	1,113,224
Segment result	440,466	106,792	(297,762)	249,496
Segment assets	24,790,058	2,736,681	1,438,061	28,964,800
Segment liabilities	7,588,602	2,629,434	563,069	10,781,105



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**13. 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 group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (inputs relating to prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

<b>30 June 2016</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
<b>Non-financial assets:</b>			
Investment properties	-	16,611,119	16,611,119
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>31 December 2015 (audited)</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
<b>Non-financial assets:</b>			
Investment properties	-	16,565,149	16,565,149
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Investment at fair value through statement of income:</b>			
Quoted foreign securities	1,625,262	-	1,625,262
	<u>1,625,262</u>	<u>16,565,149</u>	<u>18,190,411</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>30 June 2015</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
<b>Non-financial assets:</b>			
Investment properties	-	17,330,467	17,330,467
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Investment at fair value through statement of income:</b>			
Quoted foreign securities	2,629,434	-	2,629,434
	<u>2,629,434</u>	<u>17,330,467</u>	<u>19,959,901</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**14. Comparative figures**

Certain comparative figures of the previous financial period/year had been reclassified to conform with the current period presentation but this did not affect the profit or equity previously stated.