

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

**Interim condensed consolidated financial information  
(unaudited)  
and independent auditor's review report for the nine month  
period ended 30 September 2016**

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

**Interim condensed consolidated financial information (unaudited)  
and independent auditor's review report for the nine month period ended 30 September 2016**

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Al Shaheed 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.bdointernational.com

**BOUBYAN Auditing Office**

Member of



Chartered Accountants - Financial consultants

Tel: (965) 2249 40 40 – Fax: (965) 2249 65 65  
P. O. Box: 17445 Khaldiya - Postal Code: 72455 Kuwait  
www.boubyanaudit.com office@boubyanaudit.com



**Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Dar Al-Thuraya Real Estate Company 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.P.S.C. ("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 September 2016, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine 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.

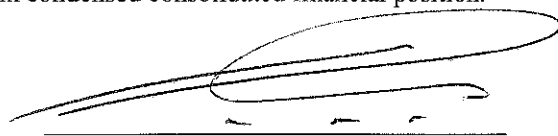
*Conclusion*

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 occurrence of contraventions during the nine month period ended 30 September 2016, of the Companies' Law No. 1 of 2016 and its executive regulations, or of the Parent Company's articles and memorandum of association, as amended, during the nine month period ended 30 September 2016 that might have had a material effect on business of the Group or on its interim condensed consolidated financial position.

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

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

**Kuwait: 14 November 2016**

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

**Interim condensed consolidated statement of financial position (unaudited)  
As at 30 September 2016**

		<b>30 September 2016</b>	<b>31 December 2015 (Audited)</b>	<b>30 September 2015</b>
	Notes	KD	KD	KD
<b>Assets</b>				
Non-current assets				
Property and equipments		6,942,529	7,041,824	7,034,918
Right of use		170,000	170,000	100,000
Investment properties	4	16,614,814	16,565,149	17,344,898
Due from related parties	5	379,768	324,173	78,536
Available for sale investments		-	5,000	7,500
		<u>24,107,111</u>	<u>24,106,146</u>	<u>24,565,852</u>
<b>Current assets</b>				
Inventories		319,002	321,164	313,068
Trade and other receivables	6	1,311,199	931,372	1,502,231
Investment at fair value through statement of income	7	-	1,625,262	2,182,825
Bank balances and cash	8	263,880	397,354	154,838
		<u>1,894,081</u>	<u>3,275,152</u>	<u>4,152,962</u>
<b>Total assets</b>		<u>26,001,192</u>	<u>27,381,298</u>	<u>28,718,814</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		909,663	813,648	1,475,711
<b>Equity attributable to equity holders of the Parent Company</b>		<u>17,463,176</u>	<u>17,367,161</u>	<u>17,959,235</u>
Non-controlling interests		38,848	37,344	31,103
<b>Total equity</b>		<u>17,502,024</u>	<u>17,404,505</u>	<u>17,990,338</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefit		277,604	246,249	226,989
Due to related parties	5	7,876,223	9,359,466	10,183,120
		<u>8,153,827</u>	<u>9,605,715</u>	<u>10,410,109</u>
<b>Current liabilities</b>				
Other Payables		345,341	371,078	318,367
<b>Total liabilities</b>		<u>8,499,168</u>	<u>9,976,793</u>	<u>10,728,476</u>
<b>Total equity and liabilities</b>		<u>26,001,192</u>	<u>27,381,298</u>	<u>28,718,814</u>

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

  
Ahmad Al-Darwish Albahr  
Vice Chairman

Adel Mohammed Hamoud Al Hudaib  
Chairman

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

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

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2016	2015	2016	2015
		KD	KD	KD	KD
Sales		217,067	186,258	612,491	686,846
Cost of sales		(24,637)	(24,595)	(54,711)	(43,641)
<b>Gross profit</b>		<b>192,430</b>	<b>161,663</b>	<b>557,780</b>	<b>643,205</b>
Net rental income	9	294,712	287,608	900,794	716,408
Profits from saving accounts		-	-	219	420
Impairment loss of available for sale investments		(5,000)	-	(5,000)	-
Unrealized losses on investments at fair value through statement of income	7	-	(368,103)	-	(267,757)
Realized losses on sale of investments at fair value through statement of income	7	-	(18,753)	(229,224)	(12,727)
Management fees		-	-	-	7,408
Profit/(loss) on foreign currency translation		-	89,645	(10,653)	89,645
Other income		9,003	17,516	20,224	21,774
General and administrative expenses		(373,477)	(326,814)	(990,485)	(1,004,640)
Depreciation		(54,422)	(44,507)	(140,570)	(133,454)
<b>Profit/(loss) for the period before contribution for KFAS, NLST and Zakat</b>		<b>63,246</b>	<b>(201,745)</b>	<b>103,085</b>	<b>60,282</b>
Kuwait Foundation for Advancement of Sciences		(590)	1,819	(914)	(535)
National Labour Support Tax (NLST)		(1,959)	4,693	(3,323)	(2,577)
Zakat		(784)	1,876	(1,329)	(1,031)
<b>Net profit/(loss) for the period</b>		<b>59,913</b>	<b>(193,357)</b>	<b>97,519</b>	<b>56,139</b>
<b>Attributable to:</b>					
Shareholders of the Parent Company		62,215	(193,691)	96,015	55,341
Non-controlling interests		(2,302)	334	1,504	798
<b>Net profit/(loss) for the period</b>		<b>59,913</b>	<b>(193,357)</b>	<b>97,519</b>	<b>56,139</b>
<b>Basic and diluted earnings/(loss) per share attributable to the Parent Company's shareholders (fils)</b>	10	<b>0.43</b>	<b>(1.32)</b>	<b>0.66</b>	<b>0.38</b>

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

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

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</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>
Net profit/(loss) for the period	59,913	(193,357)	97,519	56,139
<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	-	-	-	-
Total other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>59,913</b>	<b>(193,357)</b>	<b>97,519</b>	<b>56,139</b>
<b>Attributable to:</b>				
Shareholders of the Parent Company	62,215	(193,691)	96,015	55,341
Non-controlling interests	(2,302)	334	1,504	798
	<b>59,913</b>	<b>(193,357)</b>	<b>97,519</b>	<b>56,139</b>

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

**Dar Al-Thuraya Real Estate Company K.S.C. (Public)**  
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**State of Kuwait**

**Interim condensed consolidated statement of changes in equity (unaudited)**  
**For the nine month period ended 30 September 2016**

	Share capital	Statutory reserve	Voluntary reserve	Revaluation surplus reserve	Retained earnings	Equity attributable to equity holders 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
Total comprehensive income for the period	-	-	-	-	96,015	96,015	1,504	97,519
<b>As at 30 September 2016</b>	<b>14,650,000</b>	<b>866,845</b>	<b>866,845</b>	<b>169,823</b>	<b>909,663</b>	<b>17,463,176</b>	<b>38,848</b>	<b>17,502,024</b>
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	-	-	-	-	55,341	55,341	798	56,139
<b>AS at 30 September 2015</b>	<b>14,650,000</b>	<b>866,845</b>	<b>866,845</b>	<b>99,834</b>	<b>1,475,711</b>	<b>17,959,235</b>	<b>31,103</b>	<b>17,990,338</b>

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

**Dar Al-Thuraya Real Estate Company K.S.C. (Public)  
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State of Kuwait**

**Interim condensed consolidated statement of cash flows (unaudited)  
For the nine month period ended 30 September 2016**

	Notes	Nine months ended 30 September	
		2016 KD	2015 KD
<b>Operating activities</b>			
Net profit for the Period		97,519	56,139
<i>Adjustment for:</i>			
Profits from saving accounts		(219)	(420)
Unrealized losses on investments at fair value through statement of income	7	-	267,757
Realized losses on sale of investments at fair value through statement of income		229,224	12,727
Impairment losses on available for sale investments		5,000	-
Depreciation		140,570	133,454
Gain on disposal of property plant and equipment		(600)	-
Foreign currency translation loss/(profit)		10,653	(89,645)
Employees' end of service benefit		42,520	52,733
		<u>524,667</u>	<u>432,745</u>
Changes in working capital:			
Due from/to related parties - net		(1,538,838)	(882,800)
Inventories		2,162	(15,095)
Trade and other receivables		(379,827)	26,102
Other Payables		(25,737)	53,470
<b>Cash flows used in operation</b>		<u>(1,417,573)</u>	<u>(385,578)</u>
Payment of employees' end of service indemnity		(11,165)	(19,846)
<b>Net cash flows used in operating activities</b>		<u>(1,428,738)</u>	<u>(405,424)</u>
<b>Investing activities</b>			
Paid for purchase of property and equipment		(41,275)	(94,250)
Proceeds from sale of property, plant and equipment		600	-
Paid for purchase of investment properties	4	(49,665)	(112,899)
Proceeds on sale of investments at fair value through profit or loss		1,385,385	585,803
Received profits from saving accounts		219	420
<b>Net cash flows from investing activities</b>		<u>1,295,264</u>	<u>379,074</u>
Net decrease in cash and bank balances		(133,474)	(26,350)
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>263,880</u>	<u>154,838</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	Nine months ended 30 September	
	2016 KD	2015 KD
Transfer of subsidiaries from Al Madar Finance and Investment Company K.P.S.C. (note 5)	-	1,543,065
Purchase of investments at fair value through statement of income (note 5)	-	2,959,467

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



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State of Kuwait**

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

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**1. General information**

Dar Al-Thuraya Real Estate Company K.P.S.C. 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 Shari'a 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.
- Utilizing the financial surpluses of the Parent company by investing them in 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 Companies' Law was 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, and cancelled Decree 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 nine month period ended 30 September 2016

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**1. General information (Continued)**

The Company is a subsidiary of Al Madar Finance and Investment Company K.P.S.C., 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.O.S.C. and its subsidiaries (the Group) for the nine month period ended 30 September 2016 were authorized for issue by the Parent Company's board of directors on 14 November 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 nine month period ended 30 September 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.

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

The accounting policies used in the preparation of this interim condensed consolidated financial information for the current interim financial period are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2015, except for the adoption of the following new standards and amendments effective as of 1 January 2016. The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2016, 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 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 did not have to change its accounting policies or make retrospective adjustments as a result of adopting 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 nine month period ended 30 September 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 recognition 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 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 contract 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 recognised. It replaces the following existing standard and interpretation 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:

Name of the company	Country of incorporation	Legal entity	Percentage of holdings			Activity
			30 September 2016	31 December 2015 (audited)	30 September 2015	
Al-Thuraya Star Company	Kuwait	W.L.L.	99%	99%	99%	General Trading and Contracting
Kuwait Building 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 nine month period ended 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 September 2016.

**4. Investment properties**

	30 September 2016	31 December 2015 (Audited)	30 September 2015
	KD	KD	KD
<b>Investment properties</b>			
Balance at 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 the end of the period/year/period	14,312,999	14,312,999	14,982,587
<b>Projects in progress</b>			
Balance at beginning of the period/year/period	2,252,150	4,260,000	4,260,000
Additions	49,665	123,379	112,899
Transfers to investment properties	-	(2,010,588)	(2,010,588)
Change in fair value	-	(120,641)	-
Balance at the end of the period/year/period	2,301,815	2,252,150	2,362,311
	16,614,814	16,565,149	17,344,898

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

**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 September 2016. Balances and transactions between the Parent company and its subsidiaries, which are related parties of the Parent Company, 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 September 2016</u>	<u>31 December 2015 (audited)</u>	<u>30 September 2015</u>	
	KD	KD	KD	KD
<b>Interim condensed consolidated statement of financial position:</b>				
Due from related parties	379,768	324,173	78,536	
Due to related parties	7,876,223	9,359,466	10,183,120	
Investment at fair value through statement of income (managed by a related party) (note 7)	-	1,625,262	2,182,825	
<b>Related party transactions</b>				
Purchase of investments at fair value through statement of income	-	2,959,467	2,959,467	
Transfer of subsidiaries from Al Madar Finance and Investment Company K.S.C. (Public)	-	1,543,065	1,543,065	
Accrued rentals		6,000	12,000	
	<u>Three months ended 30 September</u>		<u>Nine months ended 30 September</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	KD	KD	KD	KD
<b>Interim condensed consolidated statement of income:</b>				
Senior management benefits and salaries	64,313	63,618	191,160	190,405
Rental income	21,000	3,000	45,000	27,000

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

**6. Trade and other receivables**

	<b>30 September 2016</b>	<b>31 December 2015 (audited)</b>	<b>30 September 2015</b>
	KD	KD	KD
Trade receivables	641,752	482,300	641,262
Provision for doubtful debts	(60,815)	(60,815)	(62,315)
	<u>580,937</u>	<u>421,485</u>	<u>578,947</u>
Accrued rentals	604,168	459,408	451,582
Less: provision for accrued rentals	(100,000)	(100,000)	(100,000)
	<u>504,168</u>	<u>359,408</u>	<u>351,582</u>
Payment for purchase of investment	-	-	50,000
Advances paid	49,654	30,211	369,700
Staff receivables	13,229	14,421	14,671
Prepaid expenses	82,281	46,962	80,769
Refundable deposits	35,965	35,965	54,099
Other debit balances	44,965	22,920	2,463
	<u>1,311,199</u>	<u>931,372</u>	<u>1,502,231</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 year/period is as follows:

	<b>30 September 2016</b>	<b>31 December 2015 (audited)</b>	<b>30 September 2015</b>
	KD	KD	KD
Balance at the beginning of the period/year/period	1,625,262	-	-
Additions	-	2,959,467	2,959,467
Disposals	(1,614,609)	(1,176,562)	(598,530)
Change in fair value	-	(256,115)	(267,757)
Foreign currency translation difference	(10,653)	98,472	89,645
Balance at the end of the period/year/period	<u>-</u>	<u>1,625,262</u>	<u>2,182,825</u>

The Fund has been liquidated during the period which resulted in loss of KD 229,224 recognized in the interim condensed consolidated statement of income.

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**8. Cash and bank balances**

	<b>30 September 2016</b>	<b>31 December 2015 (audited)</b>	<b>30 September 2015</b>
	KD	KD	KD
Bank balances - saving accounts	237,360	373,033	142,360
Cash on hand	26,520	24,321	12,478
	<u>263,880</u>	<u>397,354</u>	<u>154,838</u>

Bank balances represent unrestricted current and saving accounts.

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

**9. Net rental income**

	<b>Three months ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	KD	KD	KD	KD
Rental income	371,355	330,970	1,088,375	825,148
Rental costs	(76,643)	(43,362)	(187,581)	(108,740)
	<u>294,712</u>	<u>287,608</u>	<u>900,794</u>	<u>716,408</u>

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

Basic and diluted earnings/(loss) per share is computed by dividing net earnings/(loss) 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 September</b>		<b>Nine months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit/(loss) for the period attributable to the shareholders of the parent (KD)	<u>62,215</u>	<u>(193,691)</u>	<u>96,015</u>	<u>55,341</u>
Weighted average number of outstanding shares during the period (share)	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>
Basic and diluted earnings/(loss) per share attributable to the Parent Company's shareholders (fils)	<u>0.43</u>	<u>(1.32)</u>	<u>0.66</u>	<u>0.38</u>

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**11. General assembly of shareholders**

The annual general assembly meeting of share holders held on 17 August 2016, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2015 and approved not to distribute dividends or directors remuneration for the year ended 31 December 2015.

**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 September is as follows:

	<u>Investment properties</u> KD	<u>Investments Monetary</u> KD	<u>Trading and contracting</u> KD	<u>Total</u> KD
<b>30 September 2016</b>				
Total income	921,018	(244,658)	710,835	1,387,195
Segment result	(264,748)	(244,658)	612,491	103,085
Segment assets	23,727,343	263,880	2,009,969	26,001,192
Segment liabilities	7,881,857	-	617,311	8,499,168
<b>30 September 2015</b>				
Total income	832,556	420	-	832,976
Segment result	(396,647)	(190,419)	643,205	56,139
Segment assets	22,393,134	2,345,163	3,980,517	28,718,814
Segment liabilities	8,000,295	2,182,825	545,356	10,728,476

**13. Fair value disclosures**

The 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:



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

- 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 September 2016</b>	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Total</b></u>
	KD	KD	KD
<b>Non-financial assets:</b>			
Investment properties	-	16,614,814	16,614,814
	<u>-</u>	<u>16,614,814</u>	<u>16,614,814</u>
<b>31 December 2015 (Audited)</b>	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Total</b></u>
	KD	KD	KD
Non-financial assets:			
Investment properties	-	16,565,149	16,565,149
	<u>-</u>	<u>16,565,149</u>	<u>16,565,149</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>
<b>30 September 2015</b>	<u><b>Level 1</b></u>	<u><b>Level 2</b></u>	<u><b>Total</b></u>
	KD	KD	KD
<b>Non-financial assets:</b>			
Investment properties	2,182,825	-	2,182,825
	<u>2,182,825</u>	<u>-</u>	<u>2,182,825</u>
<b>Investment at fair value through statement of income:</b>			
Quoted foreign securities	-	17,344,898	17,344,898
	<u>2,182,825</u>	<u>17,344,898</u>	<u>19,527,723</u>

**14. Prior Comparative**

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.