

**AL MAZAYA HOLDING COMPANY
K.S.C.P. AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)**

31 MARCH 2016



Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18-21st Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena



**BAKER TILLY
KUWAIT**

Audit, tax and consulting
P.O.Box 1486 Safat 13015
Kuwait

T: +965 1 89 77 99
F: +965 2294 2651

info@bakertillykuwait.com
www.bakertillykuwait.com

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MAZAYA HOLDING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Mazaya Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2016 and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 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 REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF
AL MAZAYA HOLDING COMPANY K.S.C.P. (continued)**

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, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and the executive regulation of Law No. 25 of 2012, nor of the Parent Company's Memorandum of Incorporation and Articles of Association of the Parent Company during the three months period ended 31 March 2016 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS



DR. SAUD HAMAD AL-HUMAI
LICENSE NO. 51 A
OF DR. SAUD HAMAD AL-HUMAI
& PARTNERS
MEMBER OF BAKER TILLY
INTERNATIONAL

25 April 2016
Kuwait

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016 (UNAUDITED)

	Notes	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
ASSETS				
Non-current assets				
Goodwill		2,266,732	2,266,732	2,266,732
Property and equipment		651,479	665,393	604,045
Investment properties		115,193,699	115,006,585	93,659,552
Investment in joint venture and associate		11,662,658	12,174,873	12,954,762
Financial assets available for sale		10,931,668	11,121,542	11,859,729
Advances for purchase of properties		4,741,273	16,157,047	17,325,079
		<u>145,447,509</u>	<u>157,392,172</u>	<u>138,669,899</u>
Current assets				
Properties held for trading		61,513,599	71,653,133	96,447,115
Accounts receivable and other debit balances		18,396,346	10,023,184	8,204,779
Cash and cash equivalents	4	16,712,790	11,973,198	17,865,708
		<u>96,622,735</u>	<u>93,649,515</u>	<u>122,517,602</u>
Total assets		<u>242,070,244</u>	<u>251,041,687</u>	<u>261,187,501</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		68,827,896	68,827,896	68,827,896
Share premium		21,655,393	21,655,393	21,655,393
Statutory reserve		12,123,874	12,123,874	11,136,621
Voluntary reserve		9,188,954	9,188,954	8,201,701
Fair value reserve		275,669	465,563	1,135,052
Treasury shares	5	(21,310,897)	(21,788,181)	(21,788,181)
Other reserves		893,389	845,160	845,160
Employee stock option plan		154,443	268,693	-
Foreign currency translation reserve		3,015,592	636,832	3,129,002
Retained earnings		8,753,165	11,922,391	5,962,350
Equity attributable to equity holders of the Parent Company		<u>103,577,478</u>	<u>104,146,575</u>	<u>99,104,994</u>
Non-controlling interests		<u>7,880,638</u>	<u>7,307,768</u>	<u>7,155,359</u>
Total equity		<u>111,458,116</u>	<u>111,454,343</u>	<u>106,260,353</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		772,234	734,210	619,956
Term loans		-	-	8,000,000
Tawarruq and ijara payable		71,852,812	71,986,902	47,449,342
		<u>72,625,046</u>	<u>72,721,112</u>	<u>56,069,298</u>
Current liabilities				
Term loans		-	-	4,500,000
Tawarruq and ijara payable		8,992,839	8,379,544	4,694,149
Advances from customers		30,954,215	42,586,452	75,457,992
Accounts payable and other credit balances		18,040,028	15,900,236	14,205,709
		<u>57,987,082</u>	<u>66,866,232</u>	<u>98,857,850</u>
Total liabilities		<u>130,612,128</u>	<u>139,587,344</u>	<u>154,927,148</u>
TOTAL LIABILITIES AND EQUITY		<u>242,070,244</u>	<u>251,041,687</u>	<u>261,187,501</u>

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 March 2016 (UNAUDITED)

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<i>2016 KD</i>	<i>2015 KD</i>
Revenue from sale of properties held for trading		14,173,583	8,073,487
Rental income		1,755,021	1,465,768
Net management fees and commission income		65,018	46,038
REVENUE		15,993,622	9,585,293
Cost of sale of properties held for trading		(12,481,415)	(5,812,605)
Cost of rental		(336,552)	(326,339)
COST OF REVENUE		(12,817,967)	(6,138,944)
GROSS PROFIT		3,175,655	3,446,349
Gain on sale of a subsidiary	6	1,184,979	-
Share of results from joint venture and associate		(82,968)	70,316
General and administrative expenses		(1,061,765)	(903,141)
OPERATING INCOME		3,215,901	2,613,524
Net investment loss		(5,130)	(8,398)
Other expenses		(230,163)	(117,699)
Finance income		5,367	8,152
Finance costs		(890,708)	(720,347)
Foreign exchange gain		423,673	16,548
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		2,518,940	1,791,780
KFAS		(11,571)	(15,912)
NLST		(37,843)	(36,014)
Zakat		(9,426)	(7,464)
PROFIT FOR THE PERIOD		2,460,100	1,732,390
Attributable to:			
Equity holders of the Parent Company		1,860,088	1,714,898
Non-controlling interests		600,012	17,492
		2,460,100	1,732,390
EARNING PER SHARE:			
BASIC - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	3.00 fils	2.77 fils
DILUTED - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	2.97 fils	2.77 fils

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2016 (UNAUDITED)

	<i>Three months ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	2,460,100	1,732,390
Other comprehensive income:		
<i>Other comprehensive (loss) income to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Net changes in fair value of financial assets available for sale	(168,807)	(212,968)
Foreign currency translation adjustments	2,378,760	1,032,895
Net other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods	2,209,953	819,927
Total comprehensive income for the period	4,670,053	2,552,317
Attributable to:		
Equity holders of the Parent Company	4,097,183	2,542,113
Non-controlling interests	572,870	10,204
	4,670,053	2,552,317

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2016 (UNAUDITED)

Attributable to equity holders of the Parent Company

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Fair value reserve KD	Treasury shares KD	Employees' share option plan KD	Other reserves KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total KD
At 1 January 2016	68,827,896	21,655,393	12,123,874	9,188,954	465,563	(21,788,181)	268,693	845,160	636,832	11,922,391	104,146,575	7,307,768	111,454,343
Profit for the period	-	-	-	-	-	-	-	-	-	1,860,088	1,860,088	600,012	2,460,100
Other comprehensive (loss) income for the period	-	-	-	-	(189,894)	-	-	48,229	2,378,760	-	2,237,095	(27,142)	2,209,953
Total comprehensive (loss) income for the period	-	-	-	-	(189,894)	-	-	48,229	2,378,760	1,860,088	4,097,183	572,870	4,670,053
Dividend (Note 11)	-	-	-	-	-	-	-	-	-	(4,733,045)	(4,733,045)	-	(4,733,045)
Employees' share based payment	-	-	-	-	-	-	66,765	-	-	-	66,765	-	66,765
Employee share options exercised (Note 7)	-	-	-	-	-	477,284	(181,015)	-	-	(296,269)	-	-	-
At 31 March 2016	68,827,896	21,655,393	12,123,874	9,188,954	275,669	(21,310,897)	154,443	893,389	3,015,592	8,753,165	103,577,478	7,880,638	111,458,116
At 1 January 2015	68,827,896	21,655,393	11,136,621	8,201,701	1,340,732	(21,788,181)	-	845,160	2,096,107	8,294,866	100,610,295	7,145,155	107,755,450
Profit for the period	-	-	-	-	-	-	-	-	-	1,714,898	1,714,898	17,492	1,732,390
Other comprehensive (loss) income for the period	-	-	-	-	(205,680)	-	-	-	1,032,895	-	827,215	(7,288)	819,927
Total comprehensive (loss) income for the period	-	-	-	-	(205,680)	-	-	-	1,032,895	1,714,898	2,542,113	10,204	2,552,317
Dividend	-	-	-	-	-	-	-	-	-	(4,047,414)	(4,047,414)	-	(4,047,414)
At 31 March 2015	68,827,896	21,655,393	11,136,621	8,201,701	1,135,052	(21,788,181)	-	845,160	3,129,002	5,962,350	99,104,994	7,155,359	106,260,353

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2016 (UNAUDITED)

		Three months ended 31 March	
	Notes	2016 KD	2015 KD
OPERATING ACTIVITIES			
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		2,518,940	1,791,780
Adjustments to reconcile profit to net cash flows:			
Depreciation		45,811	43,406
Gain on sale of a subsidiary	6	(1,184,979)	-
Share of results from joint venture and associate		82,968	(70,316)
Net investment loss		5,130	8,398
Other expense		193,656	117,699
Interest income		(5,367)	(8,152)
Finance costs		890,708	720,347
Foreign exchange gain		(423,673)	(16,548)
Provision for employees' end of service benefits		38,595	33,948
Provision for employees' stock option plan		66,765	-
		2,228,554	2,620,562
Working capital adjustments:			
Properties held for trading		9,674,628	3,869,878
Accounts receivable and other debit balances		(384,671)	1,534,071
Accounts payable and other credit balances		(2,220,778)	4,375,411
Advances from customers		(11,632,237)	(4,198,985)
Cash flows (used in) from operations		(2,334,504)	8,200,937
Employees' end of service benefits paid		(571)	-
Net cash flows (used in) from operating activities		(2,335,075)	8,200,937
INVESTING ACTIVITIES			
Decrease (increase) in restricted cash balances		1,367,330	(396,123)
Purchase of property and equipment		(31,897)	(29,271)
Dividend received from an associate		-	(624,281)
Addition to investment properties		(469,263)	-
Advances for purchase of properties		(509,182)	(508,057)
Proceeds from sale of a subsidiary	6	8,182,147	-
Interest income received		5,367	8,152
Net cash flows from (used in) investing activities		8,544,502	(1,549,580)
FINANCING ACTIVITIES			
Dividend paid		(12,772)	(3,408,192)
Net movement in tawarruq and ijara payable		479,205	(115,023)
Finance costs paid		(890,708)	(720,347)
Net cash flows used in financing activities		(424,275)	(4,243,562)
NET INCREASE IN BANK BALANCES AND CASH		5,785,152	2,407,795
Foreign currency translation adjustments		321,770	(1,255,890)
Bank balances and cash at the beginning of the period		1,930,983	6,170,984
BANK BALANCES AND CASH AT THE END OF THE PERIOD	4	8,037,905	7,322,889

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION 31 March 2016 (UNAUDITED)

1 CORPORATE INFORMATION

Al Mazaya Holding Company K.S.C.P. (the "Parent Company") was incorporated on 7 November 1998. The Parent Company is engaged in investment in local and foreign companies, real estate properties and consultancy services. This interim condensed consolidated financial information present the results of the Parent Company and its subsidiaries (collectively referred to as the "Group"). The Parent Company is listed on Kuwait Stock Exchange and Dubai Financial Market.

The registered head office of the Parent Company is at Mazaya Tower 01, Al Murqab, P.O. Box 3546, Safat 13036, State of Kuwait.

The interim condensed consolidated financial information of the Group for the period ended 31 March 2016 was authorised for issue in accordance with a resolution of the Board of Directors on 25 April 2016.

The new Companies Law No. 1 of 2016 issued on 24 January 2016 and published in the Official Gazette on 1 February 2016 cancelled the Companies Law No. 25 of 2012 and its amendments. According to article No. 5, the new Law will be effective retrospectively from 26 November 2012 and the executive regulations of Law No. 25 of 2012 will continue until a new set of executive regulations is issued.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard ("IAS") 34: Interim Financial Reporting.

The interim condensed consolidated financial information of the Group does not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited 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 in the interim condensed consolidated financial information. Operating results for the interim period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2015.

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

Significant accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2015 except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2016 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

3 BASIC AND DILUTED EARNING PER SHARE

Basic:

Basic earnings per share is computed by dividing the profit for the period attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period less weighted average numbers of treasury shares.

	<i>Three months ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	1,860,088	1,714,898
	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares	688,278,956	688,278,956
Less: weighted average number of treasury shares	(67,536,222)	(68,690,479)
Weighted average number of shares outstanding	620,742,734	619,588,477
Basic earnings per share attributable to the equity holders of the Parent Company (fils)	3.00	2.77

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION 31 March 2016 (UNAUDITED)

3 BASIC AND DILUTED EARNING PER SHARE (continued)

Diluted:

Diluted earnings per share is calculated by dividing the profit for the year attributable to the equity holders of the Parent Company by the weighted average number of shares outstanding plus the weighted average number of ordinary shares that would be issued on the conversion of all employees stock options. The Parent Company has outstanding share options, issued under the share based payment transaction, which have a dilutive effect on earnings.

	<i>Three months ended 31 March</i>	
	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	1,860,088	1,714,898
	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	620,742,734	619,588,477
Add: Effect of share options on issue	4,429,914	-
Weighted average number of shares outstanding	625,172,648	619,588,477
Diluted earnings per share attributable to the equity holders of the Parent Company (fils)	2.97	2.77

4 CASH AND BANK BALANCES

	<i>31 March 2016 KD</i>	<i>(Audited) 31 December 2015 KD</i>	<i>31 March 2015 KD</i>
Cash in hand and at banks	11,704,983	11,964,716	17,833,003
Term deposits	5,000,000	-	-
Cash in portfolios	7,807	8,482	32,705
	16,712,790	11,973,198	17,865,708
Restricted bank balances	(8,674,885)	(10,042,215)	(10,542,819)
	8,037,905	1,930,983	7,322,889

Restricted bank balances represent escrow accounts restricted for receiving and making payments for specific construction activity which may not be available for use within 90 days.

Term deposits are placed with local banks and carried an average rate of 1% per annum.

5 TREASURY SHARES

	<i>31 March 2016</i>	<i>(Audited) 31 December 2015</i>	<i>31 March 2015</i>
Number of shares	67,185,771	68,690,479	68,690,479
Percentage of issued shares (%)	9.76	9.98	9.98
Market value (KD)	7,121,692	7,006,429	7,693,334

Reserves (share premium and a part of voluntary reserve) of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
31 March 2016 (UNAUDITED)

6 SALE OF A SUBSIDIARY

During the period ended 31 March 2016, one of the Group's subsidiaries sold its 100% equity interest in Gulf Turkey Gayimenkul Yatirimlarianonim Sirketi ("GTGYS") for a total consideration of KD 16,364,294 to its Joint Venture which has resulted in a gain amounting to KD 1,184,979 net of downstream elimination which was recognised in the interim condensed consolidated statement of income.

The Group has received a total amount of KD 8,182,147 from the total proceed amount during the period ended 31 March 2016 and the remaining amount will be collected during the year ending 31 December 2016, accordingly, the remaining balance amounting to KD 8,182,147 is classified as amount due from related parties (Note 7).

7 RELATED PARTY TRANSACTIONS

These represent transactions with related parties, i.e. subsidiaries, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions and balances with related parties included in the interim condensed consolidated financial information are as follows:

	<i>Major shareholders KD</i>	<i>Joint venture and associates KD</i>	<i>Total 31 March 2016 KD</i>	<i>(Audited) 31 December 2015 KD</i>	<i>31 March 2015 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>					
Advances for purchase of properties	-	-	-	11,933,090	14,656,980
Accounts receivable and other debit balances (Note i)	4,840	9,379,402	9,384,242	1,539,780	757,007
Accounts payable and other credit balances (Note i and ii)	705,731	31,197	736,928	1,645,413	1,575,937
<i>Interim condensed consolidated statement of income:</i>					
Gain on sale of a subsidiary	-	1,184,979	1,184,979	-	-

i) Amounts due from/to related parties are interest free and are receivable or payable on demand.

ii) Amounts due to related parties comprise an amount of KD 702,294 (2015: KD 1,575,500) which represents an advance received for partial disposal of a subsidiary.

Compensation for board members and other key management personnel for the period are as follows:

	<i>31 March 2016 KD</i>	<i>31 March 2015 KD</i>
Salaries and other short term benefits	681,722	215,541
Terminal benefits	10,767	46,120
	<u>692,489</u>	<u>261,661</u>

During the period ended 31 March 2016, the Parent Company has recognised an expense amounting to KD 66,765 (December 2015: KD 268,693) relating to equity-settled share-based payment transactions. During the period ended 31 March 2016, certain employees have exercised their stock options of 1,504,708 shares and these shares have been issued from treasury shares held by the Group.

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 March 2016 (UNAUDITED)

8 SEGMENT INFORMATION

For management purposes, the Group is divided into four main geographical segments that are: State of Kuwait, United Arab Emirates (UAE), Kingdom of Saudi Arabia (KSA), Turkey and others, where the Group performs its main activities in the real estate segment. There is no income generating transactions between the Group's segments.

	Three month period 31 March 2016					Three month period 31 March 2015				
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD
Segment revenue	793,117	14,862,185	263,182	-	38,631	15,957,115	779,677	8,656,978	110,170	-
Segment profit (loss)	333,076	937,856	219,773	959,764	9,631	2,460,100	(77,368)	1,680,458	90,833	-

*Segment results are computed after allocating common cost to the geographical segments based on asset base of the segment.

	As at 31 March 2016					As at 31 March 2015				
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD
Total segment assets	78,434,581	125,787,274	16,454,988	10,932,487	10,460,914	242,070,244	62,660,067	156,521,200	5,196,577	18,359,746
Total segment liabilities	74,710,238	55,676,819	171,428	48,314	5,329	130,612,128	55,055,831	99,859,704	-	-

As at 31 December 2015 (Audited)

	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Total segment assets	76,690,952	132,525,087	16,443,599	14,967,240	10,414,809	251,041,687
Total segment liabilities	71,909,025	67,483,056	103,017	73,236	19,010	139,587,344

Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION 31 March 2016 (UNAUDITED)

9 CAPITAL COMMITMENTS

The Group has concluded construction contracts with third parties and is consequently committed to future capital expenditure in respect of properties under construction amounting to KD 24,409,301 (31 December 2015: KD 20,485,554 and 31 March 2015: KD 22,967,890).

10 FAIR VALUES OF FINANCIAL AND NON FINANCIAL INSTRUMENTS

The Group uses the following hierarchy for determining and disclosing the fair values of assets by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

Financial instruments

Financial instruments comprise financial assets and financial liabilities

The fair value of financial assets and financial liabilities not carried at fair value are not materially different from their carrying value.

Based on the above, the financial instruments carried at fair value are classified as follows:

	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
31 March 2016			
Financial assets available for sale	1,833,056	7,146,012	8,979,068
31 December 2015			
Financial assets available for sale	2,022,930	7,146,012	9,168,942
31 March 2015			
Financial assets available for sale	2,677,603	7,250,692	9,928,295

Certain unquoted investments with carrying value of KD 1,952,600 (31 December 2015: KD 1,952,600 and 31 March 2015: KD 1,931,434) are carried at cost less impairment losses.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value.

	<i>At</i> <i>1 January</i> <i>2016</i> <i>KD</i>	<i>Gain</i> <i>recorded in the</i> <i>interim</i> <i>condensed</i> <i>consolidated</i> <i>statement of</i> <i>income</i> <i>KD</i>	<i>Gain recorded in</i> <i>other</i> <i>comprehensive</i> <i>income</i> <i>KD</i>	<i>Net purchases,</i> <i>sales and</i> <i>settlements</i> <i>KD</i>	<i>At</i> <i>31 March</i> <i>2016</i> <i>KD</i>
<i>Financial assets available for sale:</i>					
Funds and managed portfolio	7,146,012	-	-	-	7,146,012

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
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10 FAIR VALUES OF FINANCIAL AND NON FINANCIAL INSTRUMENTS (continued)

	<i>At 1 January 2015 KD</i>	<i>Gain recorded in the interim condensed consolidated statement of income KD</i>	<i>Loss recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 31 March 2015 KD</i>
<i>Financial assets available for sale:</i>					
Funds and managed portfolio	7,413,632	-	(162,940)	-	7,250,692

Description of significant unobservable inputs to valuation of financial assets:

Managed portfolio and funds have been valued based on Net Asset Value (NAV) provided by the custodian of the fund. The information relating to valuation techniques and significant unobservable inputs to valuation to compute the sensitivity of the fair value measurement to changes in unobservable inputs is not available.

Non-financial assets

Investment properties were classified under level 2 and level 3 fair value hierarchy as follows:

	<i>Level 2 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
31 March 2016			
Investment properties	50,987,544	64,206,155	115,193,699
31 December 2015			
Investment properties	50,553,670	64,452,915	115,006,585
31 March 2015			
Investment properties	41,887,967	51,771,585	93,659,552

The following table shows a reconciliation of the opening and closing amount of level 3 non-financial assets which are recorded at fair value:

	<i>At 1 January 2016 KD</i>	<i>Gain recorded in the consolidated statement of income KD</i>	<i>Loss recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 31 March 2016 KD</i>
Investment properties	64,452,915	-	(282,149)	35,389	64,206,155
	<i>At 1 January 2015 KD</i>	<i>Gain recorded in the consolidated statement of income KD</i>	<i>Gain recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 31 December 2015 KD</i>
Investment properties	50,498,004	-	723,015	550,566	51,771,585

11 ANNUAL GENERAL ASSEMBLY

The annual general meeting of the shareholders held on 28 March 2016, has approved the consolidated financial statements of the Group for the year ended 31 December 2015, and has approved 7% cash dividend for the year ended 31 December 2015.