

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

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

30 SEPTEMBER 2016

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 30 September 2016 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine 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 its executive regulation, or of the Parent Company's Memorandum of Incorporation and Articles of Association of the Parent Company during the nine months period ended 30 September 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

2 November 2016
Kuwait

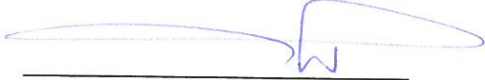
Al Mazaya Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016 (UNAUDITED)

		30 September 2016 KD	(Audited) 31 December 2015 KD	30 September 2015 KD
ASSETS				
Non-current assets				
Goodwill		2,266,732	2,266,732	2,266,732
Property and equipment		569,622	665,393	576,211
Investment properties		115,289,477	115,006,585	102,561,906
Investment in a joint venture and associate		12,876,839	12,174,873	12,922,708
Financial assets available-for-sale		9,529,111	11,121,542	11,314,073
Advances for purchase of properties		5,774,192	16,157,047	15,069,495
		<u>146,305,973</u>	<u>157,392,172</u>	<u>144,711,125</u>
Current assets				
Properties held for trading		52,650,140	71,653,133	83,416,773
Accounts receivable and other debit balances	12	20,193,207	10,023,184	10,005,372
Cash and bank balances	4	9,032,328	11,973,198	25,719,797
		<u>81,875,675</u>	<u>93,649,515</u>	<u>119,141,942</u>
TOTAL ASSETS		<u>228,181,648</u>	<u>251,041,687</u>	<u>263,853,067</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		721,465	465,563	582,882
Treasury shares		(21,310,897)	(21,788,181)	(21,788,181)
Other reserves	5	893,389	845,160	845,160
Employee stock option plan		287,972	268,693	-
Foreign currency translation reserve		2,924,058	636,832	(631,004)
Retained earnings		14,115,242	11,922,391	11,305,805
Equity attributable to equity holders of the Parent Company		<u>109,427,346</u>	<u>104,146,575</u>	<u>100,136,273</u>
Non-controlling interests		7,645,880	7,307,768	7,221,607
Total equity		<u>117,073,226</u>	<u>111,454,343</u>	<u>107,357,880</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		824,718	734,210	673,972
Tawarruq and ijara payable		68,699,123	71,986,902	77,443,931
		<u>69,523,841</u>	<u>72,721,112</u>	<u>78,117,903</u>
Current liabilities				
Tawarruq and ijara payable		9,749,463	8,379,544	6,051,612
Advances from customers		15,828,393	42,586,452	57,829,462
Accounts payable and other credit balances		16,006,725	15,900,236	14,496,210
		<u>41,584,581</u>	<u>66,866,232</u>	<u>78,377,284</u>
Total liabilities		<u>111,108,422</u>	<u>139,587,344</u>	<u>156,495,187</u>
TOTAL LIABILITIES AND EQUITY		<u>228,181,648</u>	<u>251,041,687</u>	<u>263,853,067</u>


Rasheed Y. Al Nafisi
Chairman


Ibrahim A. Al Soqabi
Chief Executive Officer

The attached notes 1 to 12 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 30 September 2016 (UNAUDITED)

	<i>Notes</i>	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
		<i>2016 KD</i>	<i>2015 KD</i>	<i>2016 KD</i>	<i>2015 KD</i>
Revenue from sale of properties held for trading		14,984,794	15,434,103	36,916,071	34,226,513
Rental income		1,815,396	1,622,287	5,421,011	4,673,923
Net management fees and commission income		65,911	11,963	197,124	67,063
REVENUE		16,866,101	17,068,353	42,534,206	38,967,499
Cost of sale of properties held for trading		(11,653,645)	(12,171,952)	(30,539,464)	(26,368,884)
Cost of rental		(373,603)	(271,306)	(1,078,985)	(942,535)
COST OF REVENUE		(12,027,248)	(12,443,258)	(31,618,449)	(27,311,419)
GROSS PROFIT		4,838,853	4,625,095	10,915,757	11,656,080
Gain (loss) on sale of a subsidiary	6	-	-	1,184,979	(12,209)
Loss on disposal of investment properties		-	-	(104,923)	-
Share of results from joint venture and associate		577,740	-	1,083,705	109,556
Gain on disposal of an associate and joint venture		-	-	-	877,086
General and administrative expenses		(1,284,196)	(1,130,542)	(3,662,795)	(3,151,686)
OPERATING INCOME		4,132,397	3,494,553	9,416,723	9,478,827
Net investment (loss) income		(14,515)	106,043	614,569	77,625
Other income		100,165	173,167	533,866	21,686
Finance income		14,524	7,339	26,719	25,946
Finance costs		(901,653)	(1,003,284)	(2,681,975)	(2,571,262)
Foreign exchange (loss) gain		(362,312)	(15,877)	(90,853)	10,600
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		2,968,606	2,761,941	7,819,049	7,043,422
KFAS		(18,354)	(24,581)	(44,914)	(62,538)
NLST		(63,526)	(61,970)	(119,301)	(143,047)
Zakat		(17,903)	(16,521)	(27,449)	(35,049)
PROFIT FOR THE PERIOD		2,868,823	2,658,869	7,627,385	6,802,788
Attributable to:					
Equity holders of the Parent Company		2,700,931	2,635,579	6,836,789	6,728,012
Non-controlling interests		167,892	23,290	790,596	74,776
		2,868,823	2,658,869	7,627,385	6,802,788
EARNING PER SHARE:					
BASIC - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	4.35 fils	4.25 fils	11.01 fils	10.86 fils
DILUTED - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	4.32 fils	4.25 fils	10.93 fils	10.86 fils

The attached notes 1 to 12 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 30 September 2016 (UNAUDITED)

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2016	2015	2016	2015
	KD	KD	KD	KD
Profit for the period	2,868,823	2,658,869	7,627,385	6,802,788
Other comprehensive (loss) income:				
<i>Item that are (or) may be subsequently reclassified to interim condensed consolidated statement of income in future periods:</i>				
Net changes in fair value of financial assets available-for-sale	(64,026)	(726,870)	(148,353)	(755,740)
Transferred to consolidated statement of income on sale of financial assets available-for-sale	-	-	-	(434)
Foreign currency translation adjustments	(89,738)	(2,020,368)	2,287,226	(2,727,111)
Net other comprehensive (loss) income to be reclassified to interim condensed consolidated statement of income in subsequent periods	(153,764)	(2,747,238)	2,138,873	(3,483,285)
Total comprehensive income (loss) for the period	2,715,059	(88,369)	9,766,258	3,319,503
Attributable to:				
Equity holders of the Parent Company	2,804,340	(100,698)	9,428,146	3,243,051
Non-controlling interests	(89,281)	12,329	338,112	76,452
	2,715,059	(88,369)	9,766,258	3,319,503

The attached notes 1 to 12 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 30 September 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	Other reserves KD	Employees' share option plan 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)	845,160	268,693	636,832	11,922,391	104,146,575	7,307,768	111,454,343
Profit for the period	-	-	-	-	-	-	-	-	-	6,836,789	6,836,789	790,596	7,627,385
Other comprehensive income (loss) for the period	-	-	-	-	255,902	-	48,229	-	2,287,226	-	2,591,357	(452,484)	2,138,873
Total comprehensive income for the period	-	-	-	-	255,902	-	48,229	-	2,287,226	6,836,789	9,428,146	338,112	9,766,258
Dividend (Note 11)	-	-	-	-	-	-	-	-	-	(4,347,669)	(4,347,669)	-	(4,347,669)
Employees' share based payment	-	-	-	-	-	-	-	200,294	-	-	200,294	-	200,294
Employee share options exercised (Note 7)	-	-	-	-	-	477,284	-	(181,015)	-	(296,269)	-	-	-
At 30 September 2016	68,827,896	21,655,393	12,123,874	9,188,954	721,465	(21,310,897)	893,389	287,972	2,924,058	14,115,242	109,427,346	7,645,880	117,073,226
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	-	-	-	-	-	-	-	-	-	6,728,012	6,728,012	74,776	6,802,788
Other comprehensive (loss) income for the period	-	-	-	-	(757,850)	-	-	-	(2,727,111)	-	(3,484,961)	1,676	(3,483,285)
Total comprehensive (loss) income for the period	-	-	-	-	(757,850)	-	-	-	(2,727,111)	6,728,012	3,243,051	76,452	3,319,503
Dividend	-	-	-	-	-	-	-	-	-	(3,717,073)	(3,717,073)	-	(3,717,073)
At 30 September 2015	68,827,896	21,655,393	11,136,621	8,201,701	582,882	(21,788,181)	845,160	-	(631,004)	11,305,805	100,136,273	7,221,607	107,357,880

The attached notes 1 to 12 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 30 September 2016 (UNAUDITED)

		Nine months ended 30 September	
		2016 KD	2015 KD
Notes			
OPERATING ACTIVITIES			
			</

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

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 30 September 2016 was authorized for issue in accordance with a resolution of the Board of Directors on 2 November 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. The new Executive Regulations of Law No. 1 of 2016 was issued on 12 July 2016 and was published in the Official Gazette on 17 July 2016 which cancelled the Executive Regulations of Law No. 25 of 2012.

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 2015. 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 30 September 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.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION 30 September 2016 (UNAUDITED)

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 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	2,700,931	2,635,579	6,836,789	6,728,012
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares	688,278,956	688,278,956	688,278,956	688,278,956
Less: weighted average number of treasury shares	(67,302,017)	(68,690,479)	(67,302,017)	(68,690,479)
Weighted average number of shares outstanding adjusted for treasury shares	620,976,939	619,588,477	620,976,939	619,588,477
Basic earnings per share attributable to the equity holders of the Parent Company	4.35 fils	4.25 fils	11.01 fils	10.86 fils

Diluted:

Diluted earnings per share is calculated by dividing the profit for the period 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 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	2,700,931	2,635,579	6,836,789	6,728,012
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	620,976,939	619,588,477	620,976,939	619,588,477
Add: Effect of share options on issue	4,429,914	-	4,429,914	-
Weighted average number of shares outstanding adjusted for the effect of dilution	625,406,853	619,588,477	625,406,853	619,588,477
Diluted earnings per share attributable to the equity holders of the Parent Company	4.32 fils	4.25 fils	10.93 fils	10.86 fils

4 CASH AND BANK BALANCES

	<i>30 September 2016 KD</i>	<i>(Audited) 31 December 2015 KD</i>	<i>30 September 2015 KD</i>
Cash in hand and at banks	9,021,867	11,964,716	25,707,911
Cash in portfolios	10,461	8,482	11,886
	9,032,328	11,973,198	25,719,797
Restricted bank balances	(5,586,757)	(10,042,215)	(10,240,063)
	3,445,571	1,930,983	15,479,734

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 September 2016 (UNAUDITED)

5 TREASURY SHARES

	30 September 2016	(Audited) 31 December 2015	30 September 2015
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)	7,390,435	7,006,429	6,869,048

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.

6 SALE OF A SUBSIDIARY

During the first quarter, one of the Group's subsidiaries sold its 100% equity interest in Gulf Turkey Gayimlenkul Yatirimlarianonim Sirketi ("GTGYS") for a total consideration of KD 16,364,294 to its Joint Venture which 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.

Till the period ended 30 September 2016, the Group has received total amount of KD 8,182,147 from the total proceeds and the remaining amount will be collected by year end, accordingly, the remaining balance of 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:

	Major shareholders KD	Joint venture and associate KD	Total 30 September 2016 KD	(Audited) 31 December 2015 KD	30 September 2015 KD
<i>Interim condensed consolidated statement of financial position:</i>					
Advances for purchase of properties	-	-	-	11,933,090	11,366,025
Accounts receivable and other debit balances (Note i and ii)	-	9,081,326	9,081,326	1,539,780	816,608
Accounts payable and other credit balances (Note i and iii)	116,461	-	116,461	1,645,413	1,579,374
<i>Interim condensed consolidated statement of income:</i>					
Gain on sale of a subsidiary (Note 6)	-	1,184,979	1,184,979	-	-

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

ii) Amount due from related parties comprises KD 8,182,147 (31 December 2015: Nil and 30 September 2015: Nil) relating to the sale of its subsidiary ("GTGYS") (Note 6).

iii) Amounts due to related parties comprise an amount of KD 116,461 (31 December 2015: KD 1,575,937 and 30 September 2015: KD 1,575,937) which represents an advance received for partial disposal of a subsidiary.

7 RELATED PARTY TRANSACTIONS (continued)

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

	<i>30 September 2016 KD</i>	<i>30 September 2015 KD</i>
Salaries and other short term benefits	561,865	528,518
Terminal benefits	33,322	34,097
	<u>595,187</u>	<u>562,615</u>

During the period ended 30 September 2016, the Parent Company has recognised an expense amounting to KD 200,294 (December 2015: KD 268,693) relating to equity-settled share-based payment transactions to its employees. During the period ended 30 September 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 30 September 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.

	Nine month period 30 September 2016					Nine month period 30 September 2015						
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Segment revenue	2,499,097	38,909,275	871,017	-	254,817	42,534,206	2,377,822	36,210,206	348,423	-	31,048	38,967,499
Segment profit	41,278	4,456,275	737,471	2,216,080	176,281	7,627,385	(145,721)	6,643,384	295,645	-	9,480	6,802,788
*Segment results are computed after allocating common cost to the geographical segments based on asset base of the segment.												
	As at 30 September 2016					As at 30 September 2015						
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Total segment assets	78,584,668	110,481,518	16,641,350	11,896,362	10,577,750	228,181,648	87,722,939	145,911,760	5,196,577	15,189,541	9,832,250	263,853,067
Total segment liabilities	69,057,494	41,768,332	253,356	21,522	7,718	111,108,422	74,443,092	82,040,254	-	-	11,841	156,495,187

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

	As at 30 September 2016					As at 30 September 2015						
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Total segment assets	78,584,668	110,481,518	16,641,350	11,896,362	10,577,750	228,181,648	87,722,939	145,911,760	5,196,577	15,189,541	9,832,250	263,853,067
Total segment liabilities	69,057,494	41,768,332	253,356	21,522	7,718	111,108,422	74,443,092	82,040,254	-	-	11,841	156,495,187

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

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 16,965,716 (31 December 2015: KD 13,234,883 and 30 September 2015: KD 12,517,642).

The Group has commitments amounting to KD 5,650,867 (31 December 2015: KD 7,250,671 and 30 September 2015: KD 7,734,853) to purchase land from a third party.

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>
30 September 2016			
Financial assets available-for-sale	430,499	7,146,012	7,576,511
31 December 2015			
Financial assets available-for-sale	2,022,930	7,146,012	9,168,942
30 September 2015			
Financial assets available-for-sale	1,934,454	7,448,185	9,382,639

Certain unquoted investments with carrying value of KD 1,952,600 (31 December 2015: KD 1,952,600 and 30 September 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>30 September</i> <i>2016</i> <i>KD</i>
<i>Financial assets available-</i> <i>for-sale:</i>					
Funds and managed portfolio	7,146,012	-	-	-	7,146,012

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 September 2016 (UNAUDITED)

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>Gain recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 30 September 2015 KD</i>
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*Financial assets available-
for-sale:*

Funds and managed portfolio	7,413,632	-	34,553	-	7,448,185
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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>
30 September 2016			
Investment properties	51,509,487	63,779,990	115,289,477
31 December 2015			
Investment properties	50,553,670	64,452,915	115,006,585
30 September 2015			
Investment properties	50,025,729	52,536,177	102,561,906

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 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 30 September 2016 KD</i>
Investment properties	64,452,915	-	(382,449)	(290,476)	63,779,990

	<i>At 1 January 2015 KD</i>	<i>Gain recorded in the interim condensed 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	50,498,006	423,536	1,872,348	11,659,025	64,452,915

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.

12 ACQUISITION OF SUBSIDIARY

During the period ended 30 September 2016, the Parent Company has entered into an agreement to acquire additional 50% equity interest in its Joint Venture "Ritim Istanbul Insaat Anonim Sirketi (Ritim)". As a result, Ritim will become a subsidiary of the Group. As at the reporting date, the Parent Company is in process of finalizing the completion of the acquisition, and paid an advance of KD 1,535,716, which is classified under accounts receivable and other debit balances.