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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2017

Building a better
working world

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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 2017 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 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 as amended, 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 2017 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

5 November 2017
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017 (UNAUDITED)

	Notes	*30 September 2017 KD*	*(Audited) 31 December 2016 (Restated) KD*	*30 September 2016 KD*
ASSETS				
Non-current assets				
Goodwill		**2,254,210**	2,266,732	2,266,732
Property and equipment		**532,115**	595,221	569,622
Investment properties		**127,080,317**	129,286,975	115,289,477
Investment in a joint venture and associate		**9,794,188**	9,352,843	12,876,839
Financial assets available-for-sale		**8,595,853**	9,126,960	9,529,111
Advances for purchase of properties		**11,363,295**	7,495,086	5,774,192
		159,619,978	158,123,817	146,305,973
Current assets				
Properties held for trading		**48,717,961**	69,036,258	52,650,140
Accounts receivable and other debit balances		**15,329,102**	17,438,418	20,193,207
Cash and bank balances	4	**9,148,059**	10,185,452	9,032,328
		73,195,122	96,660,128	81,875,675
TOTAL ASSETS		**232,815,100**	254,783,945	228,181,648
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		**13,195,539**	13,195,539	12,123,874
Voluntary reserve		**10,260,619**	10,260,619	9,188,954
Fair value reserve		**361,402**	549,283	721,465
Treasury shares	5	**(20,707,103)**	(21,310,897)	(21,310,897)
Employees' share option plan		**381,662**	360,360	287,972
Other reserves		**731,986**	845,160	893,389
Foreign currency translation reserve		**(2,659,778)**	411,577	2,924,058
Retained earnings		**16,228,595**	14,715,271	14,115,242
Equity attributable to equity holders of the Parent Company		**108,276,211**	109,510,201	109,427,346
Non-controlling interests		**9,551,096**	9,471,589	7,645,880
Total equity		**117,827,307**	118,981,790	117,073,226
Liabilities				
Non-current liabilities				
Employees' end of service benefits		**946,390**	873,797	824,718
Tawarruq and ijara payable		**66,628,304**	66,522,971	68,699,123
Term loans		**9,007,649**	7,471,129	-
		76,582,343	74,867,897	69,523,841
Current liabilities				
Tawarruq and ijara payable		**13,731,799**	10,319,641	9,749,463
Term loans		**3,059,967**	2,322,458	15,828,393
Advances from customers		**6,345,412**	27,789,257	-
Accounts payable and other credit balances		**15,268,272**	20,502,902	16,006,725
		38,405,450	60,934,258	41,584,581
Total liabilities		**114,987,793**	135,802,155	111,108,422
TOTAL LIABILITIES AND EQUITY		**232,815,100**	254,783,945	228,181,648

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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 September 2017 (UNAUDITED)

		Three months ended 30 September		*Nine months ended 30 September*	
		2017	*2016*	***2017***	*2016*
	Notes	***KD***	*KD*	***KD***	*KD*
Revenue from sale of properties held for trading		**13,998,648**	14,984,794	**41,514,714**	36,916,071
Rental income		**1,864,942**	1,815,396	**5,597,520**	5,421,011
Net management fees and commission income		**54,065**	65,911	**126,434**	197,124
REVENUE		**15,917,655**	16,866,101	**47,238,668**	42,534,206
Cost of sale of properties held for trading		**(11,677,976)**	(11,653,645)	**(34,826,781)**	(30,539,464)
Cost of rental		**(475,511)**	(373,603)	**(1,237,048)**	(1,078,985)
COST OF REVENUE		**(12,153,487)**	(12,027,248)	**(36,063,829)**	(31,618,449)
GROSS PROFIT		**3,764,168**	4,838,853	**11,174,839**	10,915,757
Gain on sale of a subsidiary		**-**	-	**-**	1,184,979
Loss on disposal of investment properties		**-**	-	**-**	(104,923)
Share of results from joint venture and associate		**103,898**	577,740	**394,153**	1,083,705
General and administrative expenses		**(1,703,676)**	(1,284,196)	**(4,345,551)**	(3,662,795)
Write back of impairment loss on properties held for trading		**1,635,306**	-	**1,635,306**	-
OPERATING INCOME		**3,799,696**	4,132,397	**8,858,747**	9,416,723
Net investment income (loss)		**231,649**	(14,515)	**496,357**	614,569
Other (expenses) income		**(389,752)**	100,165	**(211,841)**	560,585
Reversal of provision no longer required	10	**-**	14,524	**970,452**	-
Finance costs		**(748,738)**	(901,653)	**(2,763,284)**	(2,681,975)
Foreign exchange gain (loss)		**55,179**	(362,312)	**7,469**	(90,853)
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		**2,948,034**	2,968,606	**7,357,900**	7,819,049
KFAS		**(18,765)**	(18,354)	**(42,309)**	(44,914)
NLST		**(67,936)**	(63,526)	**(116,233)**	(119,301)
Zakat		**(7,294)**	(17,903)	**(16,220)**	(27,449)
PROFIT FOR THE PERIOD		**2,854,039**	2,868,823	**7,183,138**	7,627,385
Attributable to:					
Equity holders of the Parent Company		**2,702,658**	2,700,931	**6,874,723**	6,836,789
Non-controlling interests		**151,381**	167,892	**308,415**	790,596
		2,854,039	2,868,823	**7,183,138**	7,627,385
EARNING PER SHARE: BASIC - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	**4.34 fils**	4.35 fils	**11.04 fils**	11.01 fils
DILUTED - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	**4.30 fils**	4.32 fils	**10.95 fils**	10.93 fils

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2017 (UNAUDITED)

	Three months ended 30 September		*Nine months ended 30 September*	
	2017	*2016*	***2017***	*2016*
	KD	*KD*	***KD***	*KD*
Profit for the period	**2,854,039**	2,868,823	**7,183,138**	7,627,385
Other comprehensive (loss) income:				
Item that are (or) may be subsequently reclassified to interim condensed consolidated statement of income in future periods:				
Net changes in fair value of financial assets available-for-sale	**(512,608)**	(64,026)	**(416,789)**	(148,353)
Foreign currency translation adjustments	**(1,099,466)**	(89,738)	**(3,071,355)**	2,287,226
Net other comprehensive (loss) income to be reclassified to interim condensed consolidated statement of income in subsequent periods	**(1,612,074)**	(153,764)	**(3,488,144)**	2,138,873
Total comprehensive income for the period	**1,241,965**	2,715,059	**3,694,994**	9,766,258
Attributable to:				
Equity holders of the Parent Company	**1,603,220**	2,804,340	**3,615,487**	9,428,146
Non-controlling interests	**(361,255)**	(89,281)	**79,507**	338,112
	1,241,965	2,715,059	**3,694,994**	9,766,258

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2017 (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 2017	68,827,896	21,655,393	13,195,539	10,260,619	549,283	(21,310,897)	360,360	845,160	364,977	15,388,358	110,136,688	9,471,589	119,608,277
Effect of restatement (Note 2)	-	-	-	-	-	-	-	-	46,600	(673,087)	(626,487)	-	(626,487)
At 1 January 2017 (restated)	68,827,896	21,655,393	13,195,539	10,260,619	549,283	(21,310,897)	360,360	845,160	411,577	14,715,271	109,510,201	9,471,589	118,981,790
Profit for the period	-	-	-	-	-	-	-	-	-	6,874,723	6,874,723	308,415	7,183,138
Other comprehensive loss for the period	-	-	-	-	(187,881)	-	-	-	(3,071,355)	-	(3,259,236)	(228,908)	(3,488,144)
Total comprehensive (loss) income for the period	-	-	-	-	(187,881)	-	-	-	(3,071,355)	6,874,723	3,615,487	79,507	3,694,994
Dividend (Note 11)	-	-	-	-	-	-	-	-	-	(4,983,974)	(4,983,974)	-	(4,983,974)
Employees' share based payment (Note 6)	-	-	-	-	-	-	247,671	-	-	-	247,671	-	247,671
Employee share options exercised	-	-	-	-	-	603,794	(226,369)	-	-	(377,425)	-	-	-
Partial disposal of a subsidiary	-	-	-	-	-	-	-	(113,174)	-	-	(113,174)	-	(113,174)
At 30 September 2017	**68,827,896**	**21,655,393**	**13,195,539**	**10,260,619**	**361,402**	**(20,707,103)**	**381,662**	**731,986**	**(2,659,778)**	**16,228,595**	**108,276,211**	**9,551,096**	**117,827,307**
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	-	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	-	(4,347,669)	(4,347,669)	-	(4,347,669)
Employees' share based payment	-	-	-	-	-	-	200,294	-	-	-	200,294	-	200,294
Employee share options exercised	-	-	-	-	-	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)	287,972	893,389	2,924,058	14,115,242	109,427,346	7,645,880	117,073,226

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2017 (UNAUDITED)

	Note	*Nine months ended 30 September* 2017 KD	2016 KD
OPERATING ACTIVITIES			
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		**7,357,900**	7,819,049
Adjustments to reconcile profit to net cash flows:			
Depreciation		**160,100**	151,145
Gain on sale of a subsidiary		**-**	(1,184,979)
Loss on disposal of investment properties		**-**	104,923
Share of results from joint venture and associate		**(394,153)**	(1,083,705)
Write back of impairment loss on properties held for trading		**(1,635,306)**	-
Net investment income		**(496,357)**	(614,569)
Reversal of provision no longer required		**(970,452)**	-
Other expenses (income)		**211,841**	(560,585)
Finance costs		**2,763,284**	2,681,975
Foreign exchange (gain) loss		**(7,469)**	90,853
Provision for employees' end of service benefits		**192,302**	172,250
Provision for employees' stock option plan		**247,671**	200,294
		7,429,361	7,776,651
Working capital adjustments:			
Properties held for trading		**22,980,607**	18,514,309
Accounts receivable and other debit balances		**2,560,159**	75,460
Accounts payable and other credit balances		**(5,522,861)**	(195,177)
Advances from customers		**(21,443,845)**	(26,758,059)
Cash flows from (used in) operations		**6,003,421**	(586,816)
Employees' end of service benefits paid		**(119,709)**	(81,742)
Net cash flows from (used in) operating activities		**5,883,712**	(668,558)
INVESTING ACTIVITIES			
Decrease in restricted cash balances		**1,033,203**	4,455,458
Purchase of property and equipment		**(96,994)**	(55,374)
Addition to investment properties		**(2,345,084)**	(1,109,721)
Proceeds from disposal of investment properties		**-**	339,457
Proceeds from sale of financial assets available-for-sale		**476,713**	2,481,992
Advances for purchase of properties		**(3,868,209)**	(1,548,847)
Advances for acquisition of subsidiary		**-**	(1,535,716)
Proceeds from sale of a subsidiary		**-**	8,182,147
Proceeds from partial disposal of a subsidiary		**187,253**	-
Dividend received from financial assets available for sale		**358,301**	6,246
Finance income received		**7,341**	26,719
Net cash flows (used in) from investing activities		**(4,247,476)**	11,242,361
FINANCING ACTIVITIES			
Net movement in term loans		**2,274,029**	-
Dividend paid		**(4,858,467)**	(4,347,669)
Net movement in tawarruq and ijara payable		**3,517,491**	(1,917,860)
Finance costs paid		**(2,763,284)**	(2,681,975)
Net cash flows used in financing activities		**(1,830,231)**	(8,947,504)
NET (DECREASE) INCREASE IN CASH AND BANK BALANCES		**(193,995)**	1,626,299
Foreign currency translation adjustments		**189,805**	(111,711)
Cash and bank balances at the beginning of the period	4	**6,023,890**	1,930,983
CASH AND BANK BALANCES AT THE END OF THE PERIOD	4	**6,019,700**	3,445,571

The attached notes 1 to 11 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 2017 was authorized for issue in accordance with a resolution of the Board of Directors on 5 November 2017.

2 BASIS OF PREPARATION, SIGNIFICANT ACCOUNTING POLICIES AND COMPARATIVE INFORMATION

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 2016. 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 2017 are not necessarily indicative of the results that may be expected for the year ending 31 December 2017. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2016.

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 2016 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 2017 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

During the period ended 30 September 2017, the comparative information of one of the Group's subsidiaries has been restated (in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors). As a result, the subsidiary's net profit has been reduced by an amount of KD 673,087 as at 31 December 2016. Accordingly, the Group's retained earnings decreased by KD 673,087 and foreign currency translation reserve increased by KD 46,600 as at 31 December 2016.

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.

3 BASIC AND DILUTED EARNING PER SHARE (continued)

	Three months ended 30 September		*Nine months ended 30 September*	
	2017	*2016*	***2017***	*2016*
	KD	*KD*	***KD***	*KD*
Profit for the period attributable to equity holders of the Parent Company	**2,702,658**	2,700,931	**6,874,723**	6,836,789
	Shares	*Shares*	***Shares***	*Shares*
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	**(65,498,631)**	(67,302,017)	**(65,498,631)**	(67,302,017)
Weighted average number of shares outstanding adjusted for treasury shares	**622,780,325**	620,976,939	**622,780,325**	620,976,939
Basic earnings per share attributable to the equity holders of the Parent Company	**4.34 fils**	4.35 fils	**11.04 fils**	11.01 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.

	Three months ended 30 September		*Nine months ended 30 September*	
	2017	*2016*	***2017***	*2016*
	KD	*KD*	***KD***	*KD*
Profit for the period attributable to equity holders of the Parent Company	**2,702,658**	2,700,931	**6,874,723**	6,836,789
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of shares outstanding	**622,780,325**	620,976,939	**622,780,325**	620,976,939
Add: effect of share options on issue	**5,233,581**	4,429,914	**5,233,581**	4,429,914
Weighted average number of shares outstanding adjusted for the effect of dilution	**628,013,906**	625,406,853	**628,013,906**	625,406,853
Diluted earnings per share attributable to the equity holders of the Parent Company	**4.30 fils**	4.32 fils	**10.95 fils**	10.93 fils

4 CASH AND BANK BALANCES

	30 September 2017	*(Audited) 31 December 2016*	*30 September 2016*
	KD	*KD*	*KD*
Cash in hand and at banks	**9,096,455**	9,796,605	9,021,867
Cash in portfolios	**51,604**	388,847	10,461
	9,148,059	10,185,452	9,032,328
Restricted bank balances	**(3,128,359)**	(4,161,562)	(5,586,757)
	6,019,700	6,023,890	3,445,571

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.

5 TREASURY SHARES

	30 September 2017	*(Audited) 31 December 2016*	*30 September 2016*
Number of shares	**65,282,510**	67,185,771	67,185,771
Percentage of issued shares (%)	**9.48**	9.76	9.76
Market value (KD)	**7,442,206**	7,256,063	7,390,435

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 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	***Total 30 September 2017 KD***	*(Audited) 31 December 2016 KD*	*30 September 2016 KD*
Interim condensed consolidated statement of financial position:				
Accounts receivable and other debit balances	22,925	**22,925**	16,356	9,081,326
Accounts payable and other credit balances	-	-	761,101	116,461
Interim condensed consolidated statement of income:				
Gain on sale of a subsidiary	-	-	1,184,979	1,184,979

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

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

	30 September 2017 KD	*30 September 2016 KD*
Salaries and other short term benefits	**601,049**	561,865
Terminal benefits	**33,661**	33,322
	634,710	595,187

During the period ended 30 September 2017, the Parent Company has recognised an expense amounting to KD 247,671 (31 December 2016: KD 272,682 and 30 September 2016: KD 200,294) relating to equity-settled share-based payment transactions to its employees. During the period ended 30 September 2017, certain employees have exercised their stock options of 1,903,548 shares and these shares have been issued from treasury shares held by the Group.

7 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 2017						*Nine month period 30 September 2016*					
	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	**2,568,300**	**36,631,223**	**578,227**	**7,252,257**	**208,661**	**47,238,668**	2,499,097	38,909,275	871,017	-	254,817	42,534,206
Segment profit	**26,474**	**5,447,647**	**479,526**	**1,141,134**	**88,357**	**7,183,138**	41,278	4,456,275	737,471	2,216,080	176,281	7,627,385

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

	As at 30 September 2017						*As at 30 September 2016*					
	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	**79,680,306**	**98,198,908**	**15,881,986**	**27,364,637**	**11,689,263**	**232,815,100**	78,584,668	110,481,518	16,641,350	11,896,362	10,577,750	228,181,648
Total segment liabilities	**60,470,886**	**38,666,450**	**334,699**	**14,686,182**	**829,576**	**114,987,793**	69,057,494	41,768,332	253,356	21,522	7,718	111,108,422

	As at 31 December 2016 (Audited)					
	Kuwait KD	*UAE KD*	*KSA KD*	*Turkey KD*	*Others KD*	*Total KD*
Total segment assets	78,810,934	113,559,934	16,325,350	35,245,806	10,841,921	254,783,945
Total segment liabilities	58,531,395	49,315,364	176,822	27,314,117	464,457	135,802,155

8 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 15,813,798 (31 December 2016: KD 13,191,774 and 30 September 2016: KD 16,965,716).

The Group has commitments amounting to KD 1,287,745 (31 December 2016: KD 5,218,925 and 30 September 2016: KD 5,650,867) to purchase land from a third party.

9 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:

	Level 1 *KD*	*Level 3* *KD*	*Total* *KD*
30 September 2017			
Financial assets available-for-sale	**59,601**	**6,702,323**	**6,761,924**
31 December 2016			
Financial assets available-for-sale	60,013	7,203,068	7,263,081
30 September 2016			
Financial assets available-for-sale	430,499	7,146,012	7,576,511

Certain unquoted investments with carrying value of KD 1,833,929 (31 December 2016: KD 1,863,879 and 30 September 2016: KD 1,952,600) are carried at cost less impairment losses.

9 FAIR VALUES OF FINANCIAL AND NON FINANCIAL INSTRUMENTS (continued)

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

	At 1 January 2017 KD	***Gain recorded in the interim condensed consolidated statement of income KD***	***Loss recorded in other comprehensive income KD***	***Net purchases, sales and settlements KD***	***At 30 September 2017 KD***
Financial assets available-for-sale:					
Funds and managed portfolio	**7,203,068**	**133,487**	**(187,470)**	**(446,762)**	**6,702,323**

	At 1 January 2016 KD	*Gain recorded in the interim condensed consolidated statement of income KD*	*Gain recorded in other comprehensive income KD*	*Net purchases, sales and settlements KD*	*At 30 September 2016 KD*
Financial assets available-for-sale:					
Funds and managed portfolio	7,146,012	-	-	-	7,146,012

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 in not available.

Non-financial assets
Investment properties were classified under level 2 and level 3 fair value hierarchy as follows:

	Level 2 KD	***Level 3 KD***	***Total KD***
30 September 2017			
Investment properties	**20,076,357**	**107,003,960**	**127,080,317**
31 December 2016			
Investment properties	20,973,946	108,313,029	129,286,975
30 September 2016			
Investment properties	51,509,487	63,779,990	115,289,477

9 FAIR VALUES OF FINANCIAL AND NON FINANCIAL INSTRUMENTS (continued)

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

	At 1 January 2017 KD	***Gain recorded in the interim condensed consolidated statement of income KD***	***Loss recorded in other comprehensive income KD***	***Net purchases, sales and settlements KD***	***At 30 September 2017 KD***
Investment properties	**108,313,029**	-	**(1,414,940)**	**105,871**	**107,003,960**

	At 1 January 2016 KD	*Reclassification from level 2 to level 3 KD*	*Loss recorded in the condensed consolidated statement of income KD*	*Loss recorded in other comprehensive income KD*	*Net purchases, sales and settlements KD*	*At 31 December 2016 KD*
Investment properties	64,452,915	31,463,371	(603,427)	472,064	12,528,106	108,313,029

10 REVERSAL OF PROVISION NO LONGER REQUIRED

During the period ended 30 September 2017, the Group reversed a provision for legal case of KD 400,000 since the management believes that this provision is no longer required since the court issued its decision in the Group's favour, further the management is confident that no liability will arise relating to this legal case in subsequent periods. Furthermore, during the current period, the Group reversed excess provision related to certain creditors of KD 570,452 since the legal formalities were finalised and the creditors confirmed in writing that no further liabilities would arise against the Group.

11 ANNUAL GENERAL ASSEMBLY

The annual general meeting of the shareholders held on 28 March 2017, has approved the consolidated financial statements of the Group for the year ended 31 December 2016, and has approved 8% cash dividend for the year ended 31 December 2016.