AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2018
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENCED CONSOLIDATED
FINANCIAL INFORMATION

AL MAZAYA HOLDING COMPANY K.S.C. (PUBLIC)
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENCED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2018 (UNAUDITED) WITH REPORT ON REVIEW OF INTERIM CONDENCED CONSOLIDATED FINANCIAL INFORMATION

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Al Mazaya Holding Company K.S.C.P.
State of Kuwait

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 (the Group) as of March 31, 2018 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condenced consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condenced 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 condenced 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 condenced consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Other Matter

The consolidated financial statements of for the year ended December 31, 2017 were audited by another auditor who expressed an unqualified opinion on those consolidated financial statements dated February 8, 2018.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review the interim condenced consolidated financial information is in agreement with the books of account 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 Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended during the three months period ended March 31, 2018 that might have had a material effect on the Group's financial position or results of its operations.

State of Kuwait
May 10, 2018

Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2018
(All amounts are in Kuwaiti Dinars)

	Note	**March 31, 2018**	December 31, 2017 (Audited)	March 31, 2017
ASSETS				
Current assets:				
Cash and cash equivalent	4	**10,541,031**	10,931,750	17,775,509
Financial assets at fair value through profit or loss		**867,802**	-	-
Accounts receivable and other debit balances		**14,945,649**	17,544,507	14,501,424
Properties held for trading		**33,698,412**	34,271,531	65,625,685
Total current assets		**60,052,894**	62,747,788	97,902,618
Non-current assets:				
Advances payment for purchase of properties		**14,657,142**	14,655,930	8,785,205
Financial assets at fair value through other comprehensive income		**6,512,468**	-	-
Financial assets available for sale	3 - a	**-**	8,308,067	8,754,221
Investment in an associate		**9,557,225**	9,670,587	9,681,790
Investment in joint venture	5	**433,724**	-	-
Investment properties		**131,136,556**	131,665,239	126,713,331
Property and equipment		**493,319**	508,918	558,788
Goodwill		**2,254,210**	2,254,210	2,263,598
Total non-current assets		**165,044,644**	167,062,951	156,756,933
Total assets		**225,097,538**	229,810,739	254,659,551
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and other credit balances		**20,120,801**	14,468,891	25,444,779
Advances from customers		**3,328,493**	3,104,626	19,962,117
Term loans		**1,971,152**	2,292,375	3,088,690
Tawarruq and ijara payable		**11,765,827**	20,996,348	10,492,286
Total current liabilities		**37,186,273**	40,862,240	58,987,872
Non-current liabilities				
Term loans		**8,395,516**	8,773,840	7,468,440
Tawarruq and ijara payable		**70,062,756**	60,057,211	72,273,823
Employees' end of service benefits		**1,053,519**	1,009,567	875,652
Total non-current liabilities		**79,511,791**	69,840,618	80,617,915
Total liabilities		**116,698,064**	110,702,858	139,605,787
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		**13,945,422**	13,945,422	13,195,537
Voluntary reserve		**11,010,502**	11,010,502	10,260,617
Fair value reserve		**36,501**	317,232	361,374
Treasury shares	6	**(20,009,108)**	(20,707,103)	(20,707,103)
Employees' share option plan		**246,640**	476,987	210,164
Other reserves		**565,570**	731,986	845,160
Foreign currency translation reserve		**(1,808,180)**	(1,259,633)	(954,344)
Retained earnings		**3,566,891**	13,821,599	11,936,314
Equity attributable to shareholders of Parent Company		**98,037,527**	108,820,281	105,631,008
Non-controlling interests		**10,361,947**	10,287,600	9,422,756
Total equity		**108,399,474**	119,107,881	115,053,764
Total liabilities and equity		**225,097,538**	229,810,739	254,659,551

The accompanying notes (1) to (12) form an integral part of the interim condensed consolidated financial information.

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018
(All amounts are in Kuwaiti Dinars)

	Note	For the three months ended March 31, 2018	2017
Revenue from sale of properties held for trading		**3,581,882**	13,180,342
Rental income		**1,982,655**	1,872,761
Net management fees and commission income		**52,271**	48,343
Revenue		**5,616,808**	15,101,446
Cost of sale of properties held for trading		**(3,022,292)**	(10,947,012)
Cost of rental		**(342,089)**	(360,424)
Cost of revenue		**(3,364,381)**	(11,307,436)
Gross profit		**2,252,427**	3,794,010
Share of results from an associate		**53,054**	290,255
Share of results from joint venture	5	**432,924**	-
Selling and marketing expenses		**(33,940)**	(101,916)
General and administrative expenses		**(1,254,285)**	(1,210,175)
Operating profit		**1,450,180**	2,772,174
Net investment income		**721,489**	258,384
Foreign exchange gain		**34,623**	22,398
Other income (expenses)		**331,188**	(62,795)
Finance costs		**(1,062,378)**	(910,405)
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat		**1,475,102**	2,079,756
KFAS		**(911)**	(10,287)
NLST		**(6,418)**	(38,803)
Zakat		**-**	(8,926)
Net profit for the period		**1,467,773**	2,021,740
Attributable to:			
Shareholders of the Parent Company		**1,347,267**	1,909,351
Non-controlling interests		**120,506**	112,389
		1,467,773	2,021,740
Earning per share:			
Basic- attributable to shareholders of the parent company – Fils	7	**2.16**	3.07
Diluted - attributable to shareholders of the parent company – Fils	7	**2.14**	3.04

The accompanying notes (1) to (12) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31	
	2018	2017
Net profit for the period	**1,467,773**	2,021,740
Other comprehensive income:		
Items that may be reclassified subsequently to interim condensed consolidated statement of profit or loss:		
Change in fair value of financial assets available for sale	-	(349,131)
Share of other comprehensive loss from associate	**(166,416)**	-
Foreign currency translation adjustments	**(578,595)**	(1,319,321)
Items that would not be reclassified subsequently to interim condensed consolidated statement of profit or loss:		
Change in fair value of financial assets through other comprehensive income	**38,360**	-
Other comprehensive loss for the period	**(706,651)**	(1,668,452)
Total comprehensive income for the period	**761,122**	353,288
Attributable to:		
Shareholders of the parent company	**668,805**	402,121
Non-controlling interests	**92,317**	(48,833)
	761,122	353,288

The accompanying notes (1) to (12) form an integral part of the interim consolidated financial information.

AL MAZAYA HOLDING COMPANY K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018
(All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company												
	Share capital	Share premium	Statutory reserve	Voluntary Reserve	Fair value reserve	Treasury shares	Employees' share option plan	Other reserves	Foreign currency translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total
Balance as at December 31, 2017	68,827,896	21,655,393	13,945,422	11,010,502	317,232	(20,707,103)	476,987	731,986	(1,259,633)	13,821,599	108,820,281	10,287,600	119,107,881
Effect of adoption of IFRS 9 (Note 3 – A)	-	-	-	-	(317,232)	-	-	-	-	(6,206,578)	(6,523,810)	(17,970)	(6,541,780)
Balance as at January 1, 2018	68,827,896	21,655,393	13,945,422	11,010,502	-	(20,707,103)	476,987	731,986	(1,259,633)	7,615,021	102,296,471	10,269,630	112,566,101
Profit for the period	-	-	-	-	-	-	-	-	-	1,347,267	1,347,267	120,506	1,467,773
Other comprehensive income (loss) for the period	-	-	-	-	36,501	-	-	(166,416)	(548,547)	-	(678,462)	(28,189)	(706,651)
Total comprehensive income (loss) for the period	-	-	-	-	36,501	-	-	(166,416)	(548,547)	1,347,267	668,805	92,317	761,122
Dividend (Note 12)	-	-	-	-	-	-	-	-	-	(5,001,570)	(5,001,570)	-	(5,001,570)
Employees' share based payment	-	-	-	-	-	-	73,821	-	-	-	73,821	-	73,821
Employee share options exercised	-	-	-	-	-	697,995	(304,168)	-	-	(393,827)	-	-	-
Balance as at March 31, 2018	**68,827,896**	**21,655,393**	**13,945,422**	**11,010,502**	**36,501**	**(20,009,108)**	**246,640**	**565,570**	**(1,808,180)**	**3,566,891**	**98,037,527**	**10,361,947**	**108,399,474**
Balance as at January 1, 2017	68,827,896	21,655,393	13,195,537	10,260,617	549,283	(21,310,897)	360,360	845,160	364,977	15,388,362	110,136,688	9,471,589	119,608,277
Profit for the period	-	-	-	-	-	-	-	-	-	1,909,351	1,909,351	112,389	2,021,740
Other comprehensive loss for the period	-	-	-	-	(187,909)	-	-	-	(1,319,321)	-	(1,507,230)	(161,222)	(1,668,452)
Total comprehensive (loss) income for the period	-	-	-	-	(187,909)	-	-	-	(1,319,321)	1,909,351	402,121	(48,833)	353,288
Dividend (Note 12)	-	-	-	-	-	-	-	-	-	(4,983,974)	(4,983,974)	-	(4,983,974)
Employees' share based payment	-	-	-	-	-	-	76,173	-	-	-	76,173	-	76,173
Employee share options exercised	-	-	-	-	-	603,794	(226,369)	-	-	(377,425)	-	-	-
Balance as at March 31, 2017	68,827,896	21,655,393	13,195,537	10,260,617	361,374	(20,707,103)	210,164	845,160	(954,344)	11,936,314	105,631,008	9,422,756	115,053,764

The accompanying notes from (1) to (12) form an integral part of the interim consolidated financial information.

	Notes	Three months ended March 31 2018	2017
Cash flows from operating activities:			
Profit for the period before KFAS, NLST and Zakat		**1,475,102**	2,079,756
Adjustments for:			
Depreciation		**55,846**	36,433
Share of results from an associate		**(53,054)**	(290,255)
Share of results from a joint venture	5	**(432,924)**	-
Net investment income		**(721,489)**	(258,384)
Provision for employees' end of service benefits		**43,952**	120,903
Provision for employees' stock option plan		**73,821**	76,173
Finance costs		**1,062,378**	910,405
		1,503,632	2,675,031
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		**(2,241,948)**	2,874,199
Properties held for trading		**568,136**	5,462,778
Accounts payable and other credit balances		**629,683**	585,621
Advances from customers		**223,867**	(7,827,140)
Cash flows generated from operations		**683,370**	3,770,489
Employees' end of service benefits paid		**-**	(119,048)
Net cash flows generated from operating activities		**683,370**	3,651,441
Cash flows from investing activities:			
Decrease in restricted cash balances		**893,624**	210,047
Paid for investment in a joint venture		**(800)**	-
Proceeds from sale of financial assets available for sale		**-**	446,762
Advances for purchase of properties		**-**	(1,290,119)
Paid for investment properties		**(318,733)**	(1,120,713)
Purchase of property and equipment		**(40,247)**	-
Net cash flows generated from (used in) investing activities		**533,844**	(1,754,023)
Cash flows from financing activities:			
Net movement in term loans		**(699,547)**	763,543
Net movement in tawarruq and ijara payable		**775,024**	5,923,497
Finance costs paid		**(1,062,378)**	(910,405)
Net cash flows (used in) generated from financing activities		**(986,901)**	5,776,635
Net increase in cash and cash equivalent		**230,313**	7,674,053
Foreign currency translation adjustments		**272,592**	126,051
Cash and cash equivalent at the beginning of the period	4	**8,931,925**	6,023,890
Cash and cash equivalent at the end of the period	4	**9,434,830**	13,823,994

The accompanying notes (1) to (12) form an integral part of the interim consolidated financial information.

1. Incorporation and activities

Al Mazaya Holding Company "The Parent Company" is a Kuwaiti (Public) shareholding company listed on Kuwait Boursa and Dubai Financial Market and registered in the State of Kuwait, and was incorporated based on Memorandum of Incorporation under Ref. No. 3501 / Volume 1 dated November 7, 1998 and its subsequent amendments, the latest of which was notarized in the commercial registry pursuant to a memo issued from shareholding companies department under Ref. No. 213 dated April 1, 2014.

The Parent Company's main activities are Investing in local and foreign entities, real estate, and provide consulting services.

The Parent Company's registered address is P.O. Box 3546, Safat 13036, State of Kuwait.

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on May 10, 2018.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual financial statements for the fiscal year ended December 31, 2017 except for the changes in accounting policies due to adoption of new standards as mentioned in the Note 3.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended March 31, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2017.

3. Changes in accounting policies resulted from adoption of new standards of International Financial Reporting Standards

The key changes to the Group's accounting policies resulting from its adoption of IFRS 9, IFRS 15 and IFRS 16 are summarized below:

A) IFRS 9 - Financial Instruments

The Group has adopted IFRS 9 - Financial Instruments issued in July 2014 with a date of initial application of January 1, 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting methods for the financial assets and to certain aspects of the accounting for financial liabilities.

1) Classification of financial assets and financial liabilities:

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives and in order to generate contractual cash flows. That is, whether the Group's only objective is to collect the contractual cash flows from the assets or is intending to collect both the contractual cash flows and cash flows arising from the sale that assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model and measured at FVPL. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity, loans and receivables) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to the consolidated statemernt of profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses to consolidated statement of profit or loss on derecognition
- Financial assets at FVPL

The accounting methods for financial liabilities remains largely the same under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements are presented in OCI with no subsequent reclassification to the consolidated statement of profit or loss.

Debt instruments at amortized cost
A financial asset is measured at amortized cost if it meets both of the following conditions:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments measured at amortized cost are subsequently measured at amortized cost using the effective yield method adjusted for impairment losses if any.

Debt instruments at FVOCI
The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:
- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial instrument.
- If the contractual terms of the financial asset meet the SPPI analysis.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in consolidated statement of profit or loss. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to consolidated statement of profit or loss.

Equity instruments at FVOCI
Upon initial recognition, the Group may elect to classify irrevocably some or all of its equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and not being held for trading. Such classification is determined on an instrument-by- instrument basis.

Gains and losses on these equity instruments are never recycled to consolidated statement of profit or loss. Dividends are recognized in profit or loss when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal, cumulative gains or losses are reclassified from cumulative changes in fair value to retained earnings in the consolidated statement of changes in equity.

Financial assets at FVPL
All other financial assets which are not classified at amortized cost or FVOCI as mentioned above are measured at fair value through profit or loss which includes all financial derivative assets. After initial recognition, the Group can irrevocably designate the financial asset within the financial assets at fair value through profit or loss if that classification significantly eliminates or reduces the incompatibility its accounting method which might arise other than that classification.

Financial assets at fair value through profit or loss includes financial instruments held for trading which were acquired or purchased principally for the purpose of profit making in the short term through trading activities or if it is a part from an identified portfolio of financial instruments that are managed and has a recent actual pattern of short-term profit making.

Financial assets at fair value through profit or loss are measured and recorded at fair value in the consolidated statement of financial position. Change in fair value, interest revenue, and dividend income from financial assets at fair value through profit or loss are recorded in the consolidated statement of profit or loss in accordance to the contractual terms or when the Group's right to receive the payment has been established.

2) Impairment of financial assets:

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with expected future credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all debt instruments not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall resulted from that difference is then discounted at an approximation to the asset's original effective interest rate.

For trade and other debit balances, the Group has applied the standard's simplified approach and has calculated ECLs based on expected credit losses during its entire lifetime. The Group has established a provision matrix that is based on the Group's historical credit loss experience, taking into consideration the expected factors for the debtors and the economic environment.

3) Transition:

The following changes in accounting policies are based on the requirements of the initial adoption of IFRS 9:

- Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and fair value reserve as at January 1, 2018. Accordingly, the information presented for the financial year ended December 31, 2017 and the period ended March 31, 2017 in the accompanying interim consolidated financial information does not reflect in general the requirements of IFRS 9 but reflect the requirements of IAS 39 and therefore the interim consolidated financial information for the period ended March 31, 2018 is not comparable to the information included in the financial year ended December 31, 2017 and the period ended March 31, 2017 in term of the requirements of these standards.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application for that standard:
  - The determination of the business model within which a financial asset is held.
  - The designation of certain investments in equity instruments at FVPL.
  - The designation of certain investments in equity instruments not held for trading as financial assets at FVOCI.
  - Cancellation of previous clasification of financial assets available for sale.

Subsequent to the date of the consolidated financial statements for the financial year ended December 31, 2017, the Group's management had made a detailed study for the impact of changing the accounting policy and the new classification of financial assets and the accounting method for impairment loss according to expected credit loss model based on IFRS 9 requirements at the initial application as of January 1, 2018 and as a result, the retained earnings had decreased by KD 6,206,578 and the fair value reserve had decreased by KD 317,232 as at January 1, 2018 as follows:

	Retained earnings	Fair value reserve
Closing balance under IAS 39 as of December 31, 2017	13,821,599	317,232
Impact on reclassification and re-measurements:		
Equity instruments from available-for-sale to FVPL	(630,955)	(317,232)
Expected credit losses under IFRS 9 for trade receivable	(5,575,623)	-
Opening balance after amendements of IFRS 9 on date of initial application of January 1, 2018	**7,615,021**	**-**

Classification of financial assets and financial liabilities on the date of initial application of IFRS 9

The following table shows reconciliation of original measurement categories and carrying value in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Group's financial assets and financial liabilities as at January 1, 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortized cost	10,931,750	**10,931,750**
Accounts receivable and other debit balances	Loans and receivables	Amortized cost	17,544,507	**11,968,884**
Equity Instruments	Financial assets avaialbe for sale	Financial assets at fair value through profir or loss	1,833,959	**867,802**
Equity Instruments	Financial assets avaialbe for sale	Financial assets at fair value through other comprehensive income	6,474,108	**6,474,108**
Total financial assets			36,784,324	**30,242,544**
Financial liabilities				
Advance payments from customers	Amortized cost	Amortized cost	3,104,626	**3,104,626**
Accounts payables and other credit balances	Amortized cost	Amortized cost	14,468,891	**14,468,891**
Term loans	Amortized cost	Amortized cost	11,066,215	**11,066,215**
Tawarruq and Ijara payable	Amortized cost	Amortized cost	81,053,559	**81,053,559**
Total financial liabilities			109,693,291	**109,693,291**

B) IFRS 15 Revenue from Contracts with Customers

This Standard is effective for annual periods beginning on or after 1 January 2018, which establishes a single and comprehensive framework for determining whether, how much and when revenue is recognized. The standard replaces IAS 18 "Revenues", IAS 11 "Construction Contract" and several revenue – related Interpretations and provides a new control-based revenue recognition model using five-step approach to all contracts with customers

The five steps applied in this model are as follows:

- Identify the contract with the customer;
- Identify the contractual obligations;
- Determine the transaction price from contract;
- Allocate the transaction price to the contractual obligations;
- Revenue recognized when (or as) the Group satisfies its contractual obligation performance.

The Group is mainly operating in renting, developing, selling, and managing properties, accordingly; it acquires fees in return of renting and managing these properties. Residential units and sold properties are not relating to goods and services, accordingly; the related transactions are not including variable returns, the Group do not have contractual guarantees with its customers.

Upon initial application of this Standard as of January 1, 2018, the Group has decided to adopt the modified adjustment approach to accounting for the cumulative effect of the transition period before applying this Standard by adjusting the opening balance of retained earnings or any other related items in the statement of changes in equity and not to modify the comapritive amounts. Accordingly, the Group has examined the income from all of its activities based on the contractual obligations of all runing contracts as at the date of initial application of the Standard. The Group's management has determined that there is no significant impact on the interim consolidated financial information of the Group as at the date of initial application of this Standard. In addition, no changes are required to the opening balance of retained earnings as at January 1, 2018 based on the requirements of IFRS 15.

C) IFRS 16 - Leases

The Group has early adopted IFRS 16 - Leases using a modified retrospective approach as this standard will be effective for annual periods beginning on or after January 1, 2019. This standard replaced IAS 17 "Leases". The new standard does not significantly change the accounting for leases for lessors and requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17 with limited exceptions for low-value assets and short term leases. At the commencement date of a lease, a lessee will recognize a liability against an asset representing the right to use the underlying asset during the lease term. The early implentation of this standard has no significant effects on the accompanying comparative financial statements and opening balances.

4. Cash and cash equivalent

	March 31, 2018	December 31, 2017 (Audited)	March 31, 2017
Cash in hand and at banks	**10,528,752**	10,919,475	17,759,056
Cash in portfolios	**12,279**	12,275	16,453
	10,541,031	10,931,750	17,775,509
Less: Restricted bank balances	**(1,106,201)**	(1,999,825)	(3,951,515)
Cash and cash equivelant in consolidation statement of cash flow	**9,434,830**	8,931,925	13,823,994

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. Investment in joint venture

The investment in joint venture consists of the following:

	Percentage of ownership			amount		
	March 31, 2018	December 31, 2017 (Audited)	March 31, 2017	**March 31, 2018**	December 31, 2017 (Audited)	March 31, 2017
Al-Mazaya Prime for projects mangements – W.L.L.	**80%**	-	-	**433,724**	-	-

The movements during the period / year is as follows:

	March 31, 2018	December 31, 2017 (Audited)	March 31, 2017
Paid for incorporation of a joint venture	**800**	-	-
Share of result from a joint venture	**432,924**	-	-
Balance at the end of the period / year	**433,724**	-	-

The Group's investment in Al Mazaya Prime Project Management – W.L.L was accounted for as investment in a joint venture, where the memorandum of incorporation of the joint venture provided that the company shall be managed by the representatives of the owners of the company together in addition to that all decisions concerning the activities and management of the company must be approved by consensus of the partners, which meet the conditions of joint control of the joint venture, IFRS 11 "Joint Arrangements".

As a result of the implementation of IFRS 16, the joint venture has recognized lease liabilities of a property included in the financial statements of Al Mazaya Prime Project Management – W.L.L. (Joint venture) against right to use this property in the consolidated statement of financial position of that joint venture.

6. Treasury shares

	March 31, 2018	December 31, 2017 (Audited)	March 31, 2017
Number of shares	**63,081,978**	65,282,510	65,282,510
Percentage of issued shares (%)	**9.17**	9.48	9.48
Market value (KD)	**6,875,936**	7,246,359	7,703,302
Cost (KD)	**20,009,108**	20,707,103	20,707,103

The Parent Company's management has allotted an amount equal to treasury shares balance from reserves as of March 31, 2018. Such amount will not be available for distribution during treasury shares holding period.

7. Basic and diluted earnings per share

Basic earnings per share:

The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months ended March 31,	
	2018	2017
Profit for the period attributable to equity holders of the Parent Company	**1,347,267**	1,909,351
Number of shares outstanding:		
Number of issued shares at beginning of the period	**688,278,956**	688,278,956
Less: Weighted average number of treasury shares	**(63,791,038)**	(65,937,890)
Weighted average number of shares outstanding	**624,487,918**	622,341,066
Basic earnings per share (Fils)	**2.16**	3.07

Diluted earnings per share:
Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume allotment of all dilutive potential ordinary shares, and to adjust the net profit for the period with the assumed effect of those potential dilutive shares had they been issued.

The information necessary to calculate diluted earnings per share are as follows:

	For the three months ended March 31,	
	2018	2017
Profit for the period attributable to equity holders of the Parent Company	**1,347,267**	1,909,351
Weighted average shares adjusted for dilution effect:		
Weighted average number of shares outstanding used in calculating basic earnings per share	**624,487,918**	622,341,066
Adjustment for share options	**4,817,888**	4,996,338
Weighted average number of shares for diluted earnings per share	**629,305,806**	627,337,404
Diluted earnings per share (Fils)	**2.14**	3.04

8. Related party disclosures

The Group has entered into various transactions with related parties, i.e. key management personnel, joint venture, entities under common control and other related parties. Prices and terms of payment are to be approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position

	Key management personnel	Joint venture	Other related parties	**March 31, 2018**	December 31, 2017 (Audited)	March 31, 2017
Accounts receivable and other debit balances	-	34,072	436	**34,508**	20,447	15,329
Accounts payable and other credit balances	5,475	-	-	**5,475**	-	703,778
Advance payments from customers	-	-	23,934	**23,934**	15,608	-

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

Compensation to key management personnel

	For the three months ended March 31,	
	2018	2017
Short term benefits	**205,528**	219,399
Terminal benefits	**17,788**	12,942
	223,316	232,341

During the period ended March 31, 2018, the Parent Company has recognized an expense amounting to KD 73,821 (December 31, 2017 - KD 342,996 and March 31, 2017 - KD 76,173) relating to equity-settled share-based payment transactions to its employees. During the period ended March 31, 2018, certain employees have exercised their stock options of 2,200,532 shares and these shares have been issued from treasury shares held by the Group.

9. 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 ended March 31, 2018						Three month period March 31, 2017					
	Kuwait	UAE	KSA	Turkey	Others	Total	Kuwait	UAE	KSA	Turkey	Others	Total
Segment revenue	1,010,852	2,601,371	317,903	707,440	979,242	5,616,808	766,199	11,620,523	293,980	2,315,301	105,443	15,101,446
Segment profit (loss)	474,411	691,638	270,822	(154,211)	185,113	1,467,773	(141,645)	1,419,294	216,477	449,782	77,832	2,021,740

	As at March 31, 2018						As at March 31, 2017					
	Kuwait	UAE	KSA	Turkey	Others	Total	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	96,609,200	69,742,053	16,492,696	25,645,870	16,607,719	225,097,538	82,909,310	112,458,787	16,003,091	32,607,547	10,680,816	254,659,551
Total segment liabilities	70,000,185	28,885,613	474,129	13,060,739	4,277,398	116,698,064	77,012,790	47,824,331	285,947	14,390,459	92,260	139,605,787

	As at December 31, 2017 (Audited)					
	Kuwait	UAE	KSA	Turkey	Others	Total
Total segment assets	81,713,748	89,734,631	16,235,027	27,796,452	14,330,881	229,810,739
Total segment liabilities	64,931,201	29,460,969	174,750	14,000,856	2,135,082	110,702,858

10. Capital commitments

Capital commitments contracted for as at the intirim condensed consolidated financial information date but not yet incurred are as follows:

	March 31, 2018	December 31, 2017 (Audited)	March 31, 2017
Properties held for trading under construction	**7,708,969**	8,237,746	11,929,254
Purchase of property	**-**	-	3,899,860
	7,708,969	8,237,746	15,829,114

11. Fair value measurement

The details of fair value measurement hierarchy are as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of captions recorded at fair value by level of the fair value hierarchy:

Financial assets

The financial assets carried at fair value are classified as follows:

	March 31, 2018		
	Level 1	Level 3	Total
Financial assets at fair value through profit or loss	**-**	**867,802**	**867,802**
Financial assets at fair value through other comprehensive income	**-**	**6,512,468**	**6,512,468**
	-	**7,380,270**	**7,380,270**

	December 31, 2017 (Audited)		
	Level 1	Level 3	Total
Financial assets available for sale	-	6,474,111	6,474,111

	March 31, 2017		
	Level 1	Level 3	Total
Financial assets available for sale	59,601	6,830,741	6,890,342

Non-financial assets

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

	March 31, 2018		
	Level 2	Level 3	Total
Investment properties	**46,629,311**	**84,507,245**	**131,136,556**

	December 31, 2017 (Audited)		
	Level 2	Level 3	Total
Investment properties	38,031,686	93,633,553	131,665,239

	March 31, 2017		
	Level 2	Level 3	Total
Investment properties	18,979,862	107,733,469	126,713,331

12. Annual general assembly

The annual general meeting of the shareholders held on March 28, 2018, has approved the consolidated financial statements of the Group for the year ended December 31, 2017, and has approved 8% cash dividend for the year ended December 31, 2017.

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