

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

**Interim condensed consolidated financial information (unaudited)
and review report for the nine month period ended 30 September 2017**

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

Interim condensed consolidated financial information (unaudited)
and review report for the nine month period ended 30 September 2017

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**Independent auditor's report on review of interim condensed consolidated financial information to the Board of Directors of Dar Al-Thuraya Real Estate Company K.S.C. (Public)
State of Kuwait**

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Company K.S.C. (Public) ("The Parent Company") and its subsidiaries (together referred to as "the Group") which comprise the interim condensed consolidated statement of financial position as at 30 September 2017, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended. The preparation and fair presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 34: "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review


We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating occurrence of contraventions during the nine month period ended 30 September 2017, 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, as amended, during the nine month period ended 30 September 2017 that might have had a material effect on business of the Group or on its interim condensed consolidated financial position.



Qais M. Al Nisf
License No. 38 – "A"
BDO Al Nisf & Partners

Kuwait: 26 October 2017

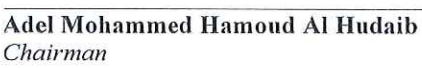
Dar Al-Thuraya Real Estate Co. K.S.C. (Public)
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position (unaudited)
As at 30 September 2017

		30 September	31 December	30 September
		2017	2016	2016
		(audited)		
	Notes	KD	KD	KD
Assets				
Non-current assets				
Property and equipment		6,830,620	7,020,014	6,942,529
Right of utilization		110,000	110,000	170,000
Intangible assets		411,108	507,460	-
Investment properties	4	14,444,441	15,211,800	16,614,814
Investments available for sale		3,173	3,173	-
Due from related parties	5	196,088	196,088	379,768
		<u>21,995,430</u>	<u>23,048,535</u>	<u>24,107,111</u>
Current assets				
Inventories		363,645	378,559	319,002
Trade receivable and other debit balances	6	1,409,480	1,272,651	1,311,199
Bank balances and cash	7	1,419,677	235,351	263,880
		<u>3,192,802</u>	<u>1,886,561</u>	<u>1,894,081</u>
Total assets		<u>25,188,232</u>	<u>24,935,096</u>	<u>26,001,192</u>
Equity and liabilities				
Equity				
Share capital		14,650,000	14,650,000	14,650,000
Statutory reserve		866,845	866,845	866,845
Voluntary reserve		866,845	866,845	866,845
Change in fair value reserve		(467)	(467)	-
Revaluation surplus reserve		109,832	109,832	169,823
(Accumulated losses)/ retained earnings		(1,717,553)	(1,565,566)	909,663
Equity attributable to shareholders of the Parent Company		<u>14,775,502</u>	<u>14,927,489</u>	<u>17,463,176</u>
Non-controlling interests		27,755	26,481	38,848
Total equity		<u>14,803,257</u>	<u>14,953,970</u>	<u>17,502,024</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefit		540,680	384,435	277,604
Due to related parties	5	7,076,898	8,764,930	7,876,223
		<u>7,617,578</u>	<u>9,149,365</u>	<u>8,153,827</u>
Current liabilities				
Ijara payables	8	2,024,912	-	-
Other credit balances		742,485	831,761	345,341
Total liabilities		<u>10,384,975</u>	<u>9,981,126</u>	<u>8,499,168</u>
Total equity and liabilities		<u>25,188,232</u>	<u>24,935,096</u>	<u>26,001,192</u>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.


Ahmad Abdurazzaq Al-Bahr
Vice Chairman


Adel Mohammed Hamoud Al Hudaib
Chairman

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

Interim condensed consolidated statement of income (unaudited)
For the nine month period ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017	2016	2017	2016
		KD	KD	KD	KD
Sales		287,817	217,067	897,324	612,491
Cost of sales		(166,505)	(24,637)	(554,905)	(54,711)
Gross profit		<u>121,312</u>	<u>192,430</u>	<u>342,419</u>	<u>557,780</u>
Net rental income	9	263,012	294,712	799,403	900,794
Profits from saving accounts		-	-	-	219
Impairment of investments available for sale		-	(5,000)	-	(5,000)
Realized losses on sale of investments at fair value through statement of income		-	-	-	(229,224)
Losses on foreign currency translation		-	-	-	(10,653)
Other (loss) / income		(665)	9,003	62,087	20,224
General and administrative expenses		(295,122)	(373,477)	(1,055,505)	(990,485)
Finance costs		(21,821)	-	(24,912)	-
Depreciation and amortization		(119,518)	(54,422)	(279,394)	(140,570)
(Loss) / profit for the period before contribution to KFAS, NLST and Zakat		<u>(52,802)</u>	<u>63,246</u>	<u>(155,902)</u>	<u>103,085</u>
Contribution to Kuwait Foundation for the Advancement of Sciences		-	(590)	-	(914)
National Labour Support Tax		-	(1,959)	-	(3,323)
Zakat		-	(784)	-	(1,329)
Net (loss) / profit for the period		<u>(52,802)</u>	<u>59,913</u>	<u>(155,902)</u>	<u>97,519</u>
Attributable to:					
Shareholders of the Parent Company		(51,863)	62,215	(151,987)	96,015
Non-controlling interests		(939)	(2,302)	(3,915)	1,504
Net (loss) / profit for the period		<u>(52,802)</u>	<u>59,913</u>	<u>(155,902)</u>	<u>97,519</u>
Basic and diluted (loss)/ earnings per share for the period attributable to the Parent Company's shareholders (fils)	10	<u>(0.35)</u>	<u>0.43</u>	<u>(1.04)</u>	<u>0.66</u>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Co. K.S.C. (Public)
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Interim condensed consolidated statement of comprehensive income (unaudited)
For the nine month period ended 30 September 2017

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	KD	KD	KD	KD
Net (loss)/profit for the period	<u>(52,802)</u>	<u>59,913</u>	<u>(155,902)</u>	<u>97,519</u>
Other comprehensive income items:				
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>				
Foreign currency translation reserve	-	-	-	-
Total other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss) /income for the period	<u>(52,802)</u>	<u>59,913</u>	<u>(155,902)</u>	<u>97,519</u>
Attributable to:				
Shareholders of the Parent Company	(51,863)	62,215	(151,987)	96,015
Non-controlling interests	(939)	(2,302)	(3,915)	1,504
	<u>(52,802)</u>	<u>59,913</u>	<u>(155,902)</u>	<u>97,519</u>

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Co. K.S.C. (Public)
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Interim condensed consolidated statement of changes in equity (unaudited)
For the nine month period ended 30 September 2017

	Share capital	Statutory reserve	Voluntary reserve	Change in fair value reserve	Revaluation surplus reserve	(Accumulated losses) / retained earnings	Equity attributable to equity holders of the Parent Company	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD
At 1 January 2017	14,650,000	866,845	866,845	(467)	109,832	(1,565,566)	14,927,489	26,481	14,953,970
Total comprehensive loss for the period	-	-	-	-	-	(151,987)	(151,987)	(3,915)	(155,902)
Effect of change in non-controlling interests	-	-	-	-	-	-	-	5,189	5,189
As at 30 September 2017	14,650,000	866,845	866,845	(467)	109,832	(1,717,553)	14,775,502	27,755	14,803,257
As at 1 January 2016	14,650,000	866,845	866,845	-	169,823	813,648	17,367,161	37,344	17,404,505
Total comprehensive income for the period	-	-	-	-	-	96,015	96,015	1,504	97,519
As at 30 September 2016	14,650,000	866,845	866,845	-	169,823	909,663	17,463,176	38,848	17,502,024

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Co. K.S.C. (Public)
and its subsidiaries
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Interim condensed consolidated statement of cash flows (unaudited)
For the nine month period ended 30 September 2017

	Notes	Nine months ended 30 September	
		2017 KD	2016 KD
Operating activities			
Net (loss)/profit for the period		(155,902)	97,519
<i>Adjustment for:</i>			
Profits from saving accounts		-	(219)
Realized losses on sale of investments at fair value through statement of income		-	229,224
Impairment of investments available for sale		-	5,000
Gains on sale of property, plant and equipment		(1,941)	(600)
Depreciation and amortization		279,394	140,570
Losses on foreign currency translation		-	10,653
Finance costs		24,912	-
Employees' end of service benefit		185,590	42,520
		<u>332,053</u>	<u>524,667</u>
<i>Changes in working capital:</i>			
Due from/to related parties - net		(908,032)	(1,538,838)
Inventories		14,914	2,162
Trade receivable and other debit balances		(136,829)	(379,827)
Other credit balances		(89,276)	(25,737)
Cash used in operations		<u>(787,170)</u>	<u>(1,417,573)</u>
Payment of employees' end of service indemnity		(29,345)	(11,165)
Net cash flows used in operating activities		<u>(816,515)</u>	<u>(1,428,738)</u>
Investing activities			
Paid for the acquisition of property, plant and equipment		(48,787)	(41,275)
Paid for purchase of investment properties	4	(12,641)	(49,665)
Proceeds from sale of property, plant and equipment		57,080	600
Proceeds on sale of investments at fair value through statement of income		-	1,385,385
Received profits from saving accounts		-	219
Net cash flows (used in)/ from investing activities		<u>(4,348)</u>	<u>1,295,264</u>
Financing activities			
Proceeds from Ijara payables	8	2,000,000	-
Net movement in non-controlling interests		5,189	-
Net cash flows from financing activities		<u>2,005,189</u>	<u>-</u>
Net increase/ (decrease) in bank balances and cash		1,184,326	(133,474)
Bank balances and cash at the beginning of the period		235,351	397,354
Bank balances and cash at the end of the period	7	<u>1,419,677</u>	<u>263,880</u>

The Group has the following non-cash transactions during the period which are not presented in the statement of interim condensed consolidated statement of cash flows.

		Nine months ended 30 September	
		2017 KD	2016 KD
Non cash transactions			
Transfer of an investment property to related party for settlement of a debt	4	780,000	-

The notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

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Notes to interim condensed consolidated financial information (unaudited)
For the nine month period ended 30 September 2017

1. General information

Dar Al-Thuraya Real Estate Company K.S.C. (Public) ("the Parent Company") was incorporated on 5 September 2004 in accordance with Kuwait Companies Law.

The Parent Company is principally engaged in the following activities in compliance with the Islamic Shari'a as follows:

- Acquisition, sale, purchase and development of real estates and land in favor of the Parent Company in the State of Kuwait and abroad and management of third party properties without violating law.
- Acquisition, sale and purchase shares and bonds of real estate companies only in favor of the Parent Company in Kuwait and abroad.
- Preparing studies and providing consultancy in the real estate sector in all its types.
- Maintenance activities including civil, mechanical, electrical, elevators, and air conditioning maintenance.
- Organizing real estate exhibitions related to the Parent Company's real estate projects.
- Organizing real estate tenders.
- Acquisition and management of commercial and residential complexes.
- Utilizing the financial surpluses of the Parent Company by investing them in portfolios managed by specialized companies and entities.
- Direct contribution in infrastructure of areas.
- Direct contribution in the infrastructure of residential, commercial and industrial areas and projects through (B.O.T) system and management of real estate facilities under the same system.

The Parent Company may practice the above activities inside the State of Kuwait and abroad either in its own name or by proxy. The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. It may also incorporate, purchase and/or participate in incorporation of such entities or affiliate them.

The Parent Company's shares were listed on the Kuwait Stock Exchange on 18 August 2009.

The address of the Parent Company's registered office is P.O. Box, 1376, Safat 13014, State of Kuwait.

The condensed consolidated interim financial information includes the financial statements of the Parent Company and its subsidiaries (together referred to as "the Group") (note 3).

The Parent Company is a subsidiary of Al-Madar Finance and Investment Company K.S.C. (Public), a Company listed in the Kuwait Stock Exchange.

The interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Company K.S.C. (Public) and its subsidiaries ("the Group") for the nine month period ended 30 September 2017 were authorized for issue by the Parent Company's board of directors on 26 October 2017.

Dar Al-Thuraya Real Estate Co. K.S.C. (Public)
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Notes to interim condensed consolidated financial information (unaudited)
For the nine month period ended 30 September 2017

2. Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the nine-month period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For further information, refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2016.

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

The accounting policies used in the preparation of this interim condensed consolidated financial information for the current interim financial period are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2016, except for the adoption of the following new standards and amendments effective as of 1 January 2017. The nature and the effect of these changes are disclosed below. Although these new standards and amendments will be applied for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group.

New standards and amendments effective from 1 January 2017

Amendments to IAS 7 Statement of cash flows: Disclosure initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its interim condensed consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealized Losses

The amendments clarify that the Group needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The amendments require Group to apply them retrospectively. However on initial application thereof, the change in the opening equity of the earliest comparative period may be recognised in the opening retained earnings (or in another component of equity as appropriate) without allocating the change between opening retained earnings and other components of equity. It is required that in case such relief is applied, this fact must be disclosed.

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Notes to interim condensed consolidated financial information (unaudited)
For the nine month period ended 30 September 2017

2. Basis of preparation (Continued)

Annual Improvements 2014-2016 Cycle

Amendments to IFRS 12 Disclosure of interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify that the disclosure requirements in IFRS 12, apply to the entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

3. Subsidiaries

The details of subsidiaries are as follows:

Name of the Company	Country of incorporation	Legal entity	Percentage of holding			Activity
			30 September 2017	31 December 2016 (Audited)	30 September 2016	
Al-Thuraya Star Company	Kuwait	W.L.L.	99%	99%	99%	General Trading and Contracting
Kuwait Building Real Estate Company	Kuwait	K.S.C. (Closed)	96%	96%	96%	Real estate
Pack & Move Holding	Kuwait	K.S.C. (Holding)	99.88%	99.88%	99.88%	Holding
Golden Madar Real Estate Company	Kuwait	W.L.L.	98%	98%	98%	Real estate

During the period, the Group has consolidated the interim financial information for the nine month period ended 30 September 2017 for Althuraya Star Co. W.L.L., Mabani Real Estate Company K.S.C. (Closed), Pack & Move Holding K.S.C. (Holding) and Golden Madar Real Estate Company W.L.L. based on financial information prepared by management of these companies as at 30 September 2017.

4. Investment properties

	30 September 2017 KD	31 December 2016 (audited) KD	30 September 2016 KD
Investment properties			
Balance at the beginning of the period/ year/ period	13,224,999	14,312,999	14,312,999
Transferred to a related party	(780,000)	-	-
Change in fair value	-	(1,088,000)	-
Balance at the end of the period/ year/ period	12,444,999	13,224,999	14,312,999

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Notes to interim condensed consolidated financial information (unaudited)
For the nine month period ended 30 September 2017

4. Investment properties (Continued)

	30 September 2017	31 December 2016 (audited)	30 September 2016
	KD	KD	KD
Projects in progress			
Balance at the beginning of the period/ year/ period	1,986,801	2,252,150	2,252,150
Additions	12,641	75,487	49,665
Change in fair value	-	(340,836)	-
Balance at the end of the period/year/period	<u>1,999,442</u>	<u>1,986,801</u>	<u>2,301,815</u>
	<u>14,444,441</u>	<u>15,211,800</u>	<u>16,614,814</u>

- The transferred amount represents a plot in Al Rai area assigned to a related party in return for settlement of part of the debt payable to them from Pack & Move Holding Company K.S.C. (Closed) - ("subsidiary").

- Ijara contracts, with a promise for purchase by a local bank, were granted to some of the investment properties of the Group during the period ended 30 September 2017.

5. Related party transactions

Related parties comprise of the Group's shareholders who are members of the Board of Directors, key management personnel, and subsidiaries in which the Parent Company has representatives in their board. In the ordinary course of business, all related party significant transactions during the period ended 30 September 2017 were carried out with approval of the Group's management. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Balances due from/to related parties and related party transaction are as follows:

	30 September 2017	31 December 2016 (audited)	30 September 2016
	KD	KD	KD
Interim condensed consolidated statement of financial position:			
Due from related parties	196,088	196,088	379,768
Due to related parties	<u>7,076,898</u>	<u>8,764,930</u>	<u>7,876,223</u>

	Three months ended 30 September 2017	2016	Nine months ended 30 September 2017	2016
	KD	KD	KD	KD
Interim condensed consolidated statement of income:				
Senior management benefits and salaries	80,966	64,313	266,725	191,160

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6. Trade receivable and other debit balances

	30 September 2017	31 December 2016 (audited)	30 September 2016
	KD	KD	KD
Trade receivables	638,541	642,993	641,752
Provision for doubtful debts	(60,815)	(60,815)	(60,815)
	<u>577,726</u>	<u>582,178</u>	<u>580,937</u>
Accrued rentals	721,888	636,454	604,168
Less: provision for accrued rentals	(145,000)	(145,000)	(100,000)
	<u>576,888</u>	<u>491,454</u>	<u>504,168</u>
Advance payments for projects	41,994	32,060	49,654
Staff receivables	12,040	14,124	13,229
Prepaid expenses	87,801	54,985	82,281
Refundable deposits	70,746	68,746	35,965
Other debit balances	42,285	29,104	44,965
	<u>1,409,480</u>	<u>1,272,651</u>	<u>1,311,199</u>

7. Bank balances and Cash

	30 September 2017	31 December 2016 (audited)	30 September 2016
	KD	KD	KD
Bank balances	1,392,373	217,838	237,360
Cash on hand	27,304	17,513	26,520
	<u>1,419,677</u>	<u>235,351</u>	<u>263,880</u>

Bank balances represent unrestricted current and saving accounts.

The annual average effective yield rate on the savings accounts as at 30 September 2017 was 0.65% (31 December 2016: 0.94% and 30 September 2016: 0.73%).

8. Ijara payables

	30 September 2017	31 December 2016 (audited)	30 September 2016
	KD	KD	KD
Ijara payables	2,115,300	-	-
Future finance costs	(90,388)	-	-
	<u>2,024,912</u>	<u>-</u>	<u>-</u>

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Notes to interim condensed consolidated financial information (unaudited)
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8. Ijara payables (Continued)

Ijara payables represent facilities contracts granted by Kuwait Finance House in return for lease contracts concluded with the bank related to utilization rights for investment properties, with a promise for purchase as follows:

- Amount of KD 793,275 represents deferred rental value due at end of the contract period on 3 June 2018. The effective yield rate is 5.77% per annum (31 December 2016: nil & 30 September 2016: nil).
- Amount of KD 1,322,025 represents deferred rental value due at end of the contract period on 5 August 2018. The effective yield rate is 5.78% per annum (31 December 2016: nil & 30 September 2016: nil).

9. Net rental income

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
	KD	KD	KD	KD
Rental income	306,585	371,355	914,630	1,088,375
Rental costs	(43,573)	(76,643)	(115,227)	(187,581)
	<u>263,012</u>	<u>294,712</u>	<u>799,403</u>	<u>900,794</u>

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

Basic and diluted (loss) / earnings per share is computed by dividing net (loss) / profit for the period attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	2017	2016
Net (loss) / profit for the period attributable to shareholders of the Parent Company (KD)	<u>(51,863)</u>	<u>62,215</u>	<u>(151,987)</u>	<u>96,015</u>
Weighted average number of outstanding shares during the period (share)	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>
Net basic and diluted (loss) / earnings per share for the period attributable to the Parent Company's shareholders / (fils)	<u>(0.35)</u>	<u>0.43</u>	<u>(1.04)</u>	<u>0.66</u>

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11. General assembly of shareholders

The annual general assembly meeting of shareholders held on 14 August 2017 approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2016 and approved not to distribute dividends or directors' remuneration for the financial year ended 31 December 2016.

12. Segmental information

The management has grouped the Group's products and services into the following operating segments under IFRS 8 as follows:

Operating Segments

The Group has determined the following two major business segments for internal reporting purposes:

- Investment property sector
- Financial investment sector.
- Trading and contracting sector.

Financial information about business segments for the period ended 30 September is as follows:

	<u>Investment properties</u>	<u>Financial investments</u>	<u>Trading and contracting</u>	<u>Total</u>
	KD	KD	KD	KD
2017				
Total income	914,630	-	959,411	1,874,041
Segment results	692,988	-	(848,890)	(155,902)
Segment assets	20,393,247	1,422,850	3,372,135	25,188,232
Segment liabilities	7,076,898	2,024,912	1,283,165	10,384,975
2016				
Total income	921,018	(244,658)	710,835	1,387,195
Segment results	(264,748)	(244,658)	612,491	103,085
Segment assets	23,727,343	263,880	2,009,969	26,001,192
Segment liabilities	7,881,857	-	617,311	8,499,168

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13. Fair value disclosures

The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (inputs relating to prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

30 September 2017	Level 1	Level 2	Total
	KD	KD	KD
Non-financial assets:			
Investment properties	-	14,444,441	14,444,441
Financial assets:			
Investments available for sale	2,467	-	2,467
	<u>2,467</u>	<u>14,444,441</u>	<u>14,446,908</u>
31 December 2016 (audited)	Level 1	Level 2	Total
	KD	KD	KD
Non-financial assets:			
Investment properties	-	15,211,800	15,211,800
Financial assets:			
Investments available for sale	2,467	-	2,467
	<u>2,467</u>	<u>15,211,800</u>	<u>15,214,267</u>
30 September 2016	Level 1	Level 2	Total
	KD	KD	KD
Non-financial assets:			
Investment properties	-	16,614,814	16,614,814