

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

INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION (UNAUDITED)

30 June 2016



MAZAYA

AIM TO LEAD



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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 June 2016 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six 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 six months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

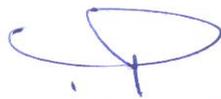
Conclusion

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

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

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and the executive regulation of Law No. 25 of 2012, nor of the Parent Company's Memorandum of Incorporation and Articles of Association of the Parent Company during the six months period ended 30 June 2016 that might have had a material effect on the business of the Parent Company or on its financial position.



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



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

24 July 2016
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016 (UNAUDITED)

	Notes	30 June 2016 KD	(Audited) 31 December 2015 KD	30 June 2015 KD
ASSETS				
Non-current assets				
Goodwill		2,266,732	2,266,732	2,266,732
Property and equipment		611,084	665,393	597,894
Investment properties		115,215,686	115,006,585	102,375,121
Investment in joint venture and associate		12,423,918	12,174,873	12,485,567
Financial assets available for sale		9,336,018	11,121,542	12,040,943
Advances for purchase of properties		5,257,509	16,157,047	16,097,705
		<u>145,110,947</u>	<u>157,392,172</u>	<u>145,863,962</u>
Current assets				
Properties held for trading		57,368,044	71,653,133	92,710,980
Accounts receivable and other debit balances		19,346,055	10,023,184	9,664,742
Cash and bank balances	4	12,123,262	11,973,198	16,412,475
		<u>88,837,361</u>	<u>93,649,515</u>	<u>118,788,197</u>
Total assets		<u><u>233,948,308</u></u>	<u><u>251,041,687</u></u>	<u><u>264,652,159</u></u>
EQUITY AND LIABILITIES				
Equity				
Share capital		68,827,896	68,827,896	68,827,896
Share premium		21,655,393	21,655,393	21,655,393
Statutory reserve		12,123,874	12,123,874	11,136,621
Voluntary reserve		9,188,954	9,188,954	8,201,701
Fair value reserve		528,318	465,563	1,298,791
Treasury shares	5	(21,310,897)	(21,788,181)	(21,788,181)
Other reserves		893,389	845,160	845,160
Employee stock option plan		221,208	268,693	-
Foreign currency translation reserve		3,013,796	636,832	1,389,364
Retained earnings		11,414,311	11,922,391	8,670,226
Equity attributable to equity holders of the Parent Company		<u>106,556,242</u>	<u>104,146,575</u>	<u>100,236,971</u>
Non-controlling interests		7,735,161	7,307,768	7,209,278
Total equity		<u><u>114,291,403</u></u>	<u><u>111,454,343</u></u>	<u><u>107,446,249</u></u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		780,115	734,210	653,016
Tawarruq and ijara payable		69,655,270	71,986,902	67,706,553
		<u>70,435,385</u>	<u>72,721,112</u>	<u>68,359,569</u>
Current liabilities				
Tawarruq and ijara payable		8,590,132	8,379,544	4,695,149
Advances from customers		28,208,836	42,586,452	70,702,159
Accounts payable and other credit balances		12,422,552	15,900,236	13,449,033
		<u>49,221,520</u>	<u>66,866,232</u>	<u>88,846,341</u>
Total liabilities		<u><u>119,656,905</u></u>	<u><u>139,587,344</u></u>	<u><u>157,205,910</u></u>
TOTAL LIABILITIES AND EQUITY		<u><u>233,948,308</u></u>	<u><u>251,041,687</u></u>	<u><u>264,652,159</u></u>

Rasheed Y. Al Nafisi
Chairman

Ibrahim A. Al Soqabi
Chief Executive Officer

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 June 2016 (UNAUDITED)

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2016	2015	2016	2015
		KD	KD	KD	KD
Revenue from sale of properties held for trading		7,757,694	10,718,923	21,931,277	18,792,410
Rental income		1,850,594	1,585,868	3,605,615	3,051,636
Net management fees and commission income		102,702	9,062	131,213	55,100
REVENUE		9,710,990	12,313,853	25,668,105	21,899,146
Cost of sale of properties held for trading		(6,404,404)	(8,384,327)	(18,885,819)	(14,196,932)
Cost of rental		(368,830)	(344,890)	(705,382)	(671,229)
COST OF REVENUE		(6,773,234)	(8,729,217)	(19,591,201)	(14,868,161)
GROSS PROFIT		2,937,756	3,584,636	6,076,904	7,030,985
Gain/(loss) on sale of a subsidiary	6	-	(12,209)	1,184,979	(12,209)
Loss on disposal of investment properties		(104,923)	-	(104,923)	-
Share of results from joint venture and associate		588,933	39,240	505,965	109,556
Gain on disposal of an associate and joint venture		-	877,086	-	877,086
General and administrative expenses		(1,316,834)	(1,118,003)	(2,378,599)	(2,021,144)
OPERATING INCOME		2,104,932	3,370,750	5,284,326	5,984,274
Net investment income/(loss)		634,214	(20,020)	629,084	(28,418)
Other income/(expenses)		627,357	(33,782)	433,701	(151,481)
Finance income		6,828	10,455	12,195	18,607
Finance costs		(889,614)	(847,631)	(1,780,322)	(1,567,978)
Foreign exchange (loss)/gain		(152,214)	9,929	271,459	26,477
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		2,331,503	2,489,701	4,850,443	4,281,481
KFAS		(14,989)	(22,045)	(26,560)	(37,957)
NLST		(17,932)	(45,063)	(55,775)	(81,077)
Zakat		(120)	(11,064)	(9,546)	(18,528)
PROFIT FOR THE PERIOD		2,298,462	2,411,529	4,758,562	4,143,919
Attributable to:					
Equity holders of the Parent Company		2,275,770	2,377,535	4,135,858	4,092,433
Non-controlling interests		22,692	33,994	622,704	51,486
		2,298,462	2,411,529	4,758,562	4,143,919
EARNING PER SHARE:					
BASIC - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	3.67 fils	3.84 fils	6.66 fils	6.61 fils
DILUTED - ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	3.64 fils	3.84 fils	6.61 fils	6.61 fils

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016 (UNAUDITED)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	2,298,462	2,411,529	4,758,562	4,143,919
Other comprehensive income (loss):				
<i>Other comprehensive income (loss) to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>				
Net changes in fair value of financial assets available for sale	84,480	184,098	(84,327)	(28,870)
Transferred to consolidated income statement on sale of financial assets available for sale	-	(434)	-	(434)
Foreign currency translation adjustments	(1,796)	(1,739,638)	2,376,964	(706,743)
Net other comprehensive income (loss) to be reclassified to interim condensed consolidated statement of income in subsequent periods	82,684	(1,555,974)	2,292,637	(736,047)
Total comprehensive income for the period	2,381,146	855,555	7,051,199	3,407,872
Attributable to:				
Equity holders of the Parent Company	2,526,623	801,636	6,623,806	3,343,749
Non-controlling interests	(145,477)	53,919	427,393	64,123
	2,381,146	855,555	7,051,199	3,407,872

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016 (UNAUDITED)

Attributable to equity holders of the Parent Company

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Fair value reserve KD	Treasury shares KD	Other reserves KD	Employees' share option plan KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total KD
At 1 January 2016	68,827,896	21,655,393	12,123,874	9,188,954	465,563	(21,788,181)	845,160	268,693	636,832	11,922,391	104,146,575	7,307,768	111,454,343
Profit for the period	-	-	-	-	-	-	-	-	-	4,135,858	4,135,858	622,704	4,758,562
Other comprehensive income (loss) for the period	-	-	-	-	62,755	-	48,229	-	2,376,964	-	2,487,948	(195,311)	2,292,637
Total comprehensive income for the period	-	-	-	-	62,755	-	48,229	-	2,376,964	4,135,858	6,623,806	427,393	7,051,199
Dividend (Note 11)	-	-	-	-	-	-	-	-	-	(4,347,669)	(4,347,669)	-	(4,347,669)
Employees' share based payment	-	-	-	-	-	-	-	133,530	-	-	133,530	-	133,530
Employee share options exercised (Note 7)	-	-	-	-	-	477,284	-	(181,015)	-	(296,269)	-	-	-
At 30 June 2016	68,827,896	21,655,393	12,123,874	9,188,954	528,318	(21,310,897)	893,389	221,208	3,013,796	11,414,311	106,556,242	7,735,161	114,291,403
At 1 January 2015	68,827,896	21,655,393	11,136,621	8,201,701	1,340,732	(21,788,181)	845,160	-	2,096,107	8,294,866	100,610,295	7,145,155	107,755,450
Profit for the period	-	-	-	-	-	-	-	-	-	4,092,433	4,092,433	51,486	4,143,919
Other comprehensive (loss) income for the period	-	-	-	-	(41,941)	-	-	-	(706,743)	-	(748,684)	12,637	(736,047)
Total comprehensive (loss) income for the period	-	-	-	-	(41,941)	-	-	-	(706,743)	4,092,433	3,343,749	64,123	3,407,872
Dividend	-	-	-	-	-	-	-	-	-	(3,717,073)	(3,717,073)	-	(3,717,073)
At 30 June 2015	68,827,896	21,655,393	11,136,621	8,201,701	1,298,791	(21,788,181)	845,160	-	1,389,364	8,670,226	100,236,971	7,209,278	107,446,249

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

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2016 (UNAUDITED)

	Notes	<i>Six months ended</i>	
		<i>30 June</i>	
		<i>2016</i>	<i>2015</i>
		<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES			
Profit for the period before contribution for Kuwait Foundation for Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		4,850,443	4,281,481
Adjustments to reconcile profit to net cash flows:			
Depreciation		91,621	59,459
(Gain)/loss on sale of a subsidiary	6	(1,184,979)	12,209
Share of results from joint venture and associate		(505,965)	(109,556)
Gain on disposal of an associate and joint venture		-	(877,086)
Net investment (income)/loss		(629,084)	28,418
Interest income		(12,195)	(18,607)
Other (income)/expense		(433,701)	151,481
Finance costs		1,780,322	1,567,978
Foreign exchange gain		(271,459)	(26,477)
Provision for employees' end of service benefits		127,647	67,008
Provision for employees' stock option plan		133,530	-
		3,946,180	5,136,308
Working capital adjustments:			
Properties held for trading		15,547,494	6,040,243
Accounts receivable and other debit balances		(713,269)	32,176
Accounts payable and other credit balances		(3,302,740)	5,054,496
Advances from customers		(14,377,616)	(8,954,818)
Cash flows from operations		1,100,049	7,308,405
Employees' end of service benefits paid		(81,742)	-
Net cash flows from operating activities		1,018,307	7,308,405
INVESTING ACTIVITIES			
Decrease/(increase) in restricted cash balances		2,261,851	(408,902)
Purchase of property and equipment		(37,312)	(39,173)
Addition to investment properties		(962,736)	(9,115,998)
Proceeds from disposal of investment properties		444,380	215,688
Proceeds from sale of financial assets available for sale		2,481,992	2,884
Advances for purchase of properties		(1,033,552)	719,317
Proceeds from sale of a subsidiary	6	8,182,147	-
Dividend received from financial assets available for sale		6,246	-
Interest income received		12,195	18,607
Net cash flows from/(used in) investing activities		11,355,211	(8,607,577)
FINANCING ACTIVITIES			
Net movement in term loans		-	(12,500,000)
Dividend paid		(4,347,669)	(3,717,073)
Net movement in tawarruq and ijara payable		(2,121,044)	20,143,188
Finance costs paid		(1,780,322)	(1,567,978)
Net cash flows (used in)/from financing activities		(8,249,035)	2,358,137
NET INCREASE IN CASH AND BANK BALANCES		4,124,483	1,058,965
Foreign currency translation adjustments		(1,712,568)	(1,373,072)
Cash and Bank balances at the beginning of the period		1,930,983	6,170,984
CASH AND BANK BALANCES AT THE END OF THE PERIOD	4	4,342,898	5,856,877

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2016 (UNAUDITED)

1 CORPORATE INFORMATION

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

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

The interim condensed consolidated financial information of the Group for the period ended 30 June 2016 was authorised for issue in accordance with a resolution of the Board of Directors on 24 July 2016.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

The interim condensed consolidated financial information of the Group does not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2015. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the interim period ended 30 June 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended 31 December 2015.

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

Significant accounting policies

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

3 BASIC AND DILUTED EARNING PER SHARE

Basic:

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

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	2,275,770	2,377,535	4,135,858	4,092,433
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares	688,278,956	688,278,956	688,278,956	688,278,956
Less: weighted average number of treasury shares	(67,360,888)	(68,690,479)	(67,360,888)	(68,690,479)
Weighted average number of shares outstanding adjusted for the effect of dilution	620,918,068	619,588,477	620,918,068	619,588,477
Basic earnings per share attributable to the equity holders of the Parent Company	3.67 fils	3.84 fils	6.66 fils	6.61 fils

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

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

3 BASIC AND DILUTED EARNING PER SHARE (continued)

Diluted:

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

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to equity holders of the Parent Company	2,275,770	2,377,535	4,135,858	4,092,433
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	620,918,068	619,588,477	620,918,068	619,588,477
Add: Effect of share options on issue	4,429,914	-	4,429,914	-
Weighted average number of shares outstanding adjusted for the effect of dilution.	625,347,982	619,588,477	625,347,982	619,588,477
Diluted earnings per share attributable to the equity holders of the Parent Company (fils)	3.64	3.84	6.61	6.61

4 CASH AND BANK BALANCES

	<i>(Audited)</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2016</i>	<i>2015</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash in hand and at banks	12,115,754	11,964,716	16,399,263
Cash in portfolios	7,508	8,482	13,212
	12,123,262	11,973,198	16,412,475
Restricted bank balances	(7,780,364)	(10,042,215)	(10,555,598)
	4,342,898	1,930,983	5,856,877

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

5 TREASURY SHARES

	<i>(Audited)</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2016</i>	<i>2015</i>	<i>2015</i>
Number of shares	67,185,771	68,690,479	68,690,479
Percentage of issued shares (%)	9.76	9.98	9.98
Market value (KD)	7,927,921	7,006,429	7,830,715

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.

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

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

6 SALE OF A SUBSIDIARY

During the period ended 30 June 2016, one of the Group's subsidiaries sold its 100% equity interest in Gulf Turkey Gayimenukul Yatirimlarianonim Sirketi ("GTGYS") for a total consideration of KD 16,364,294 to its Joint Venture which has resulted in a gain amounting to KD 1,184,979 net of downstream elimination which was recognised in the interim condensed consolidated statement of income.

Till the period ended 30 June 2016, the Group has received a total amount of KD 8,182,147 from the total proceed amount and the remaining amount will be collected during the year ending 31 December 2016, accordingly, the remaining balance amounting to KD 8,182,147 is classified as amount due from related parties (Note 7).

7 RELATED PARTY TRANSACTIONS

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

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

	<i>Major shareholders KD</i>	<i>Joint venture and associate KD</i>	<i>Total 30 June 2016 KD</i>	<i>(Audited) 31 December 2015 KD</i>	<i>30 June 2015 KD</i>
<i>Interim condensed consolidated statement of financial position:</i>					
Advances for purchase of properties	-	-	-	11,933,090	12,912,028
Accounts receivable and other debit balances (Note i)	13,806	9,436,077	9,449,883	1,539,780	762,821
Accounts payable and other credit balances (Note i and ii)	935,719	4,132	939,851	1,645,413	1,575,937
<i>Interim condensed consolidated statement of income:</i>					
Gain on sale of a subsidiary (Note 6)	-	1,184,979	1,184,979	-	-

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

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

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

	<i>30 June 2016 KD</i>	<i>30 June 2015 KD</i>
Salaries and other short term benefits	387,249	330,559
Terminal benefits	50,829	46,120
	<u>438,078</u>	<u>376,679</u>

During the period ended 30 June 2016, the Parent Company has recognised an expense amounting to KD 133,530 (December 2015: KD 268,693) relating to equity-settled share-based payment transactions to its employees. During the period ended 30 June 2016, certain employees have exercised their stock options of 1,504,708 shares and these shares have been issued from treasury shares held by the Group.

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2016 (UNAUDITED)

8 SEGMENT INFORMATION

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

	Six month period 30 June 2016					Six month period 30 June 2015						
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Segment revenue	1,630,710	23,299,268	568,464	-	169,663	25,668,105	1,568,569	20,060,675	231,471	-	38,431	21,899,146
Segment profit	593,976	1,963,759	483,760	1,602,455	114,612	4,758,562	352,396	3,565,630	187,427	-	38,466	4,143,919

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

	As at 30 June 2016					As at 30 June 2015						
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Total segment assets	77,372,195	117,914,917	16,368,451	11,735,709	10,557,036	233,948,308	69,946,454	154,294,599	5,196,577	16,271,542	18,942,987	264,652,159
Total segment liabilities	67,899,956	51,560,179	171,428	18,441	6,901	119,656,905	62,081,432	95,112,807	-	-	11,671	157,205,910

As at 31 December 2015 (Audited)

	As at 31 December 2015 (Audited)					Total
	Kuwait KD	UAE KD	KSA KD	Turkey KD	Others KD	Total KD
Total segment assets	76,690,952	132,525,087	16,443,599	14,967,240	10,414,809	251,041,687
Total segment liabilities	71,909,025	67,483,056	103,017	73,236	19,010	139,587,344

9 CAPITAL COMMITMENTS

The Group has concluded construction contracts with third parties and is consequently committed to future capital expenditure in respect of properties under construction amounting to KD 10,030,947 (31 December 2015: KD 13,234,883 and 30 June 2015: KD 15,068,055).

The Group has commitments amounting to KD 6,175,307 (31 December 2015: KD 7,250,671 and 30 June 2015: KD 8,265,031) to purchase land from a third party.

10 FAIR VALUES OF FINANCIAL AND NON FINANCIAL INSTRUMENTS

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

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

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

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

Financial instruments

Financial instruments comprise financial assets and financial liabilities

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

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

	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total</i> <i>KD</i>
30 June 2016			
Financial assets available for sale	237,406	7,146,012	7,383,418
31 December 2015			
Financial assets available for sale	2,022,930	7,146,012	9,168,942
30 June 2015			
Financial assets available for sale	2,419,867	7,689,642	10,109,509

Certain unquoted investments with carrying value of KD 1,952,600 (31 December 2015: KD 1,952,600 and 30 June 2015: KD 1,931,434) are carried at cost less impairment losses.

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

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

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

	<i>At 1 January 2015 KD</i>	<i>Gain recorded in the interim condensed consolidated statement of income KD</i>	<i>Gain recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 30 June 2015 KD</i>
<i>Financial assets available for sale:</i>					
Funds and managed portfolio	7,413,632	-	276,010	-	7,689,642

Description of significant unobservable inputs to valuation of financial assets:

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

Non-financial assets

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

	<i>Level 2 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
30 June 2016			
Investment properties	51,362,502	63,853,184	115,215,686
31 December 2015			
Investment properties	50,553,670	64,452,915	115,006,585
30 June 2015			
Investment properties	49,975,757	52,399,364	102,375,121

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

	<i>At 1 January 2016 KD</i>	<i>Gain recorded in the interim condensed consolidated statement of income KD</i>	<i>Loss recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 30 June 2016 KD</i>
Investment properties	64,452,915	-	(309,255)	(290,476)	63,853,184

	<i>At 1 January 2015 KD</i>	<i>Gain recorded in the interim condensed consolidated statement of income KD</i>	<i>Gain recorded in other comprehensive income KD</i>	<i>Net purchases, sales and settlements KD</i>	<i>At 31 December 2015 KD</i>
Investment properties	50,498,006	423,536	1,872,348	11,659,025	64,452,915

11 ANNUAL GENERAL ASSEMBLY

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