

**SECURITIES GROUP COMPANY K.S.C. (PUBLIC)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2016
(UNAUDITED)
WITH**

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

SECURITIES GROUP COMPANY K.S.C. (PUBLIC)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT

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(UNAUDITED)
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Securities Group Company K.S.C. (Public)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Securities Group Company K.S.C. (Public) (the Parent Company) and subsidiaries (the Group) as at September 30, 2016 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 six months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim 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.

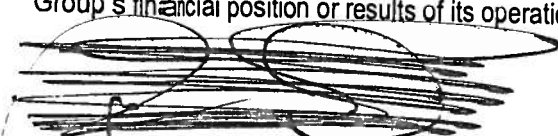
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.


Report on other Legal and Regulatory Requirements

Furthermore, the interim 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 or of the Memorandum of Incorporation and Articles of Association of the Parent Company during the six months period ended September 30, 2016 that might have had a material effect on the Group's financial position or results of its operations

We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six months period ended September 30, 2016, which might have materially affected on the Group's financial position or results of its operations.


Dr. Ali Owaid Rukheyes
Licence No. 72-A

Member of Nexia International –
(England)
ALWAHA Auditing Office


Nayef M. Al Bazle
License No. 91-A
RSM Albazle & Co

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS AT SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

	Note	September 30, 2016	(Audited) March 31, 2016	September 30, 2015
ASSETS				
Cash on hand and at banks		9,266,465	8,858,705	8,886,212
Financial assets at fair value through profit or loss		59,880	58,589	61,014
Accounts receivable and other debit balances		1,301,809	1,383,370	1,511,356
Loans granted to others		190,899	231,789	497,836
Financial assets available for sale	3	35,518,410	38,243,914	43,591,540
Investment in associates	4	27,781,217	28,003,585	33,965,297
Investment in unconsolidated subsidiaries		907,862	907,862	1,067,862
Investment held to maturity		3,000,000	3,000,000	3,000,000
Investment properties		35,180,223	35,662,852	35,818,269
Total assets		113,206,765	116,350,666	128,399,386
LIABILITIES AND EQUITY				
Liabilities:				
Loans	5	61,680,973	64,576,200	68,069,700
Accounts payable and other credit balances		4,110,445	3,962,833	4,462,427
Total liabilities		65,791,418	68,539,033	72,532,127
Equity:				
Capital		25,528,372	25,528,372	25,528,372
Treasury shares	6	(260,776)	(260,776)	(87,765)
Share premium		3,046,592	3,046,592	3,046,592
Statutory reserve		12,764,186	12,764,186	12,764,186
Voluntary reserve		4,405,892	4,405,892	4,405,892
Other reserve		82,802	-	-
Foreign currency translation adjustments		531,782	568,983	577,957
Cumulative changes in fair value		(1,433,771)	(1,022,220)	(10,301,108)
Retained earnings		2,685,527	2,715,513	19,867,598
Equity attributable to the shareholders of the Parent Company		47,350,606	47,746,542	55,801,724
Non-controlling interests		64,741	65,091	65,535
Total equity		47,415,347	47,811,633	55,867,259
Total liabilities and equity		113,206,765	116,350,666	128,399,386
Memorandum accounts off the consolidated statement of financial position	9	1,467,760,989	1,607,625,467	1,674,857,805

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

Khaled S. Al - Ali
 Chairman

Ali Y. Al - Awadi
 Vice Chairman and CEO

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2016	2015	2016	2015
Revenues:					
Net investment income (loss)	7	357,439	(1,277,878)	1,014,238	(353,280)
Fees and commission income		399,968	486,686	1,059,367	1,016,699
Interest income		46,195	44,279	94,674	88,590
Rental income		312,067	307,211	614,684	617,859
Group's share of results from associates		334,276	3,181,049	810,674	3,553,188
Loss on sale of investment properties		(23,630)	-	(23,630)	-
Other income		429	253,106	429	276,414
		<u>1,426,744</u>	<u>2,994,453</u>	<u>3,570,436</u>	<u>5,199,470</u>
Expenses and other charges:					
General and administrative expenses		(311,300)	(579,802)	(723,259)	(940,407)
Finance charges		(406,713)	(390,987)	(809,934)	(767,074)
Impairment losses on financial assets available for sale	3	-	(1,371,306)	(530,304)	(1,371,306)
Foreign exchange (loss) gain		(12,138)	393,413	(237,648)	386,253
		<u>(730,151)</u>	<u>(1,948,682)</u>	<u>(2,301,145)</u>	<u>(2,692,534)</u>
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		696,593	1,045,771	1,269,291	2,506,936
Contribution to KFAS		(3,353)	3,001	(4,197)	-
NLST		(16,103)	(18,295)	(27,776)	(36,692)
Zakat		(2,283)	3,000	(2,593)	-
Net profit for the period		<u>674,854</u>	<u>1,033,477</u>	<u>1,234,725</u>	<u>2,470,244</u>
Attributable to:					
Shareholders of the Parent Company		675,129	1,033,517	1,235,075	2,470,380
Non-controlling interests		(275)	(40)	(350)	(136)
Net profit for the period		<u>674,854</u>	<u>1,033,477</u>	<u>1,234,725</u>	<u>2,470,244</u>
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to the shareholders of the Parent Company	8	<u>2.67</u>	<u>4.05</u>	<u>4.88</u>	<u>9.69</u>

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Six months ended September 30,	
	2016	2015	2016	2015
Net profit for the period	<u>674,854</u>	<u>1,033,477</u>	<u>1,234,725</u>	<u>2,470,244</u>
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Related to financial assets available for sale:				
Changes in fair value of financial assets available for sale	118,751	(847,124)	384,253	(586,791)
Reversal due to sale of financial assets available for sale	(142,652)	1,063,469	(795,804)	1,022,472
Reversal due to impairment of financial assets available for sale	-	932,508	-	932,508
	<u>(23,901)</u>	<u>1,148,853</u>	<u>(411,551)</u>	<u>1,368,189</u>
Share of other comprehensive income (loss) of associates	28	138	(399)	1,787
Exchange differences on translating foreign operations	(17,483)	(28,766)	(36,802)	76,446
Other comprehensive (loss) income for the period	<u>(41,356)</u>	<u>1,120,225</u>	<u>(448,752)</u>	<u>1,446,422</u>
Total comprehensive income for the period	<u>633,498</u>	<u>2,153,702</u>	<u>785,973</u>	<u>3,916,666</u>
Attributable to:				
Shareholders of the Parent Company	633,773	2,153,742	786,323	3,916,802
Non-controlling interests	(275)	(40)	(350)	(136)
Total comprehensive income for the period	<u>633,498</u>	<u>2,153,702</u>	<u>785,973</u>	<u>3,916,666</u>

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to the Shareholders of the Parent Company											
	Capital	Treasury shares	Share premium	Statutory reserve	Voluntary reserve	Other reserve	Foreign currency translation adjustments	Cumulative changes in fair value	Retained earnings	Sub-total	Non-controlling interests	Total
Balance as at March 31, 2016	25,528,372	(260,776)	3,046,592	12,764,186	4,405,892	-	568,983	(1,022,220)	2,715,513	47,746,542	65,091	47,811,633
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(37,201)	(411,551)	1,235,075	786,323	(350)	785,973
Cash dividends (Note 12)	-	-	-	-	-	-	-	-	(1,265,061)	(1,265,061)	-	(1,265,061)
Effect of ownership change in an associate	-	-	-	-	-	82,802	-	-	-	82,802	-	82,802
Balance as at September 30, 2016	25,528,372	(260,776)	3,046,592	12,764,186	4,405,892	82,802	531,782	(1,433,771)	2,685,527	47,350,606	64,741	47,415,347
Balance as at March 31, 2015	25,528,372	(67,765)	3,046,592	12,764,186	4,405,892	-	499,110	(11,668,663)	19,946,542	54,434,246	65,671	54,499,917
Total comprehensive income (loss) for the period	-	-	-	-	-	-	78,847	1,367,575	2,470,380	3,916,802	(136)	3,916,666
Cash dividends (Note 12)	-	-	-	-	-	-	-	-	(2,549,324)	(2,549,324)	-	(2,549,324)
Balance as at September 30, 2015	25,528,372	(67,765)	3,046,592	12,764,186	4,405,892	-	577,957	(10,301,108)	19,867,598	55,801,724	65,535	55,867,259

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

	Six months ended September 30,	
	2016	2015
Cash flow from operating activities:		
Profit for the period before contribution to KFAS, NLST and Zakat	1,269,291	2,506,936
Adjustments for:		
Net investment (income) loss	(1,014,238)	353,280
Interest income	(94,674)	(88,590)
Group's share of results from associates	(810,674)	(3,553,188)
Loss on sale of investment properties	23,630	-
Provision for loans granted no longer required	(413)	-
Finance charges	809,934	767,074
Impairment losses on financial assets available for sale	530,304	1,371,306
Foreign exchange loss (gain)	237,648	(386,253)
	<u>950,808</u>	<u>970,565</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(154,212)	302,542
Loans granted to others	41,303	14,536
Accounts payable and other credit balances	(138,038)	29,036
Net cash generated from operating activities	<u>699,861</u>	<u>1,316,679</u>
Cash flow from investing activities:		
Purchase of financial assets available for sale	(153,142)	(2,749,386)
Proceeds from sale of financial assets available for sale	2,812,348	3,753,390
Proceed from sale of investment properties	433,089	1,490,653
Interest received	92,799	(672,316)
Dividends received	1,246,328	132,840
Net cash generated from investing activities	<u>4,431,422</u>	<u>1,955,181</u>
Cash flows from financing activities:		
Loans	(2,895,227)	(115,300)
Cash dividends paid	(1,216,585)	(2,544,635)
Finance charges paid	(611,711)	(508,301)
Net cash used in financing activities	<u>(4,723,523)</u>	<u>(3,168,236)</u>
Net increase in cash on hand and at banks	407,760	103,624
Cash on hand and at banks at the beginning of the period	8,858,705	8,782,588
Cash on hand and at banks at the end of the period	<u>9,266,465</u>	<u>8,886,212</u>

The accompanying notes (1) to (14) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

1. Incorporation and principal activities

Securities Group Company K.S.C. (Public) (the Parent Company) is a Kuwaiti Public Shareholding Company incorporated by agreement no. 786 / Vol. 2 dated October 24, 1981 and the latest amendment on July 22, 2015. The Parent Company is listed in the Kuwait Stock Exchange. The Parent Company's registered office is P.O. Box 26953, Safat 13130, State of Kuwait.

The principal activities of the Parent Company include:

- Trading in securities listed in Kuwait and the GCC
- Acting as custodian and managers of funds
- Conducting research and studies
- Providing financial and investment services
- Obtaining loans from the financial market, granting to others and acting as an intermediary in the lending and borrowing process
- Establishing and managing real estate portfolios for its clients inside and outside Kuwait
- Investment in real estate.

The Parent Company is under the supervision of the Capital Markets Authority according to Law No. 7/2010 for investment companies.

The new Companies Law No. 1 of 2016 was issued on January 24, 2016 and it was published in the Official Gazette on February 1, 2016, which replaced the Companies Law No 25 of 2012 and its amendments. According to Article No. 5, the new Law will be effective retrospectively from November 26, 2012. The new Executive Regulations of Law No. 1 of 2016 was issued on July 12, 2016 and was published in the Official Gazette on July 17, 2016 which cancelled the Executive Regulations of Law No. 25 of 2012. The adoption of the new Companies Law and its executive regulations is not expected to have any effect on the reporting entity.

The interim consolidated financial information was authorized for issue by the Board of Directors on November 15, 2016.

2. Basis of presentation

The interim 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 consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended March 31, 2016.

The interim consolidated financial information do 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 consolidated financial information. Operating results for the six months period ended September 30, 2016 are not necessarily indicative of the results that may be expected for the financial year ending March 31, 2017. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended March 31, 2016.

The policy of the Group for calculation of the impairment provisions for loans granted to others complies in all material respects with the specific provision requirements of the Central Bank of Kuwait. In addition and in accordance with Central Bank of Kuwait instructions, the Group provides a minimum general provision of 1% on cash credit facilities not subject to specific provision and net of certain categories of collateral and 0.5% on non-cash credit facilities.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

3. Financial assets available for sale

	September 30, 2016	(Audited) March 31, 2016	September 30, 2015
Quoted securities	24,462,712	27,188,216	32,428,725
Unquoted securities	11,055,698	11,055,698	11,132,244
Funds	-	-	30,571
	<u>35,518,410</u>	<u>38,243,914</u>	<u>43,591,540</u>

Quoted securities with a carrying value of KD 13,641,539 were pledged with a local bank against a loan (Note 5) (March 31, 2016 – KD 12,608,046; September 30, 2015 – KD 17,192,790).

Impairment loss recognized on financial assets available for sale for the period ended September 30, 2016 amounted to KD 530,304 (September 30, 2015 - KD 1,371,306)

4. Investment in associates

Name of the associate	Country of incorporation	Percentage of holding	September 30, 2016	(Audited) March 31, 2016	September 30, 2015
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	15,262,409	15,373,551	14,902,194
Al Madar Al Thahabia Co. W.L.L.	KSA	24%	5,645,357	5,676,082	5,675,149
Future Communication Co. K.S.C.P.	Kuwait	29.75%	3,701,916	3,786,972	7,736,474
Al-Jazeera Real Estate Development Co. K.S.C. (Closed)	Kuwait	20%	1,539,482	1,519,840	1,496,688
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	843,781	850,294	774,724
Kuwait Qatari Co. for Real Estate Development K.S.C.C.	Kuwait	40.72%	782,042	790,616	3,373,838
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	6,230
			<u>27,781,217</u>	<u>28,003,585</u>	<u>33,965,297</u>

5. Loans

Revolving loans carry an annual interest rate ranging from 2.25% to 3.25% (March 31, 2016 – 2.25% to 3.25%, September 30, 2015 – 2% to 3%) and are payable within a period of one year. Loan of KD 15,815,000 is secured by quoted securities (Note 3) and other loans are secured by promissory notes (March 31, 2016 – KD 25,815,000; September 30, 2015 – KD 25,815,000). Subsequent to the reporting date, on November 10, 2016, the Parent Company signed a preliminary agreement with a local bank to restructure the maturity dates of the revolving loans amounting to KD 15,815,000 and KD 45,865,973 to be paid on March 15, 2020 and May 15, 2018 respectively.

6. Treasury shares

	September 30, 2016	(Audited) March 31, 2016	September 30, 2015
Number of treasury shares	2,271,615	2,271,615	351,342
Percentage of ownership	0.89%	0.89%	0.14%
Market value (KD)	193,087	188,544	39,350
Cost (KD)	260,776	260,776	87,765

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

The Parent Company's management has allotted an amount, equal to treasury shares balance, from the available retained earnings as of the date of the interim consolidated financial information. Such amount won't be available for distribution during the treasury shares holding period. Treasury shares are not pledged.

7. Net investment income (loss)

	Three months ended September 30,		Six months ended September 30,	
	2016	2015	2016	2015
Unrealized (loss) gain from financial assets at fair value through profit or loss	(1,298)	(1,011)	1,291	(816)
Realized gain (loss) on sale of financial assets available for sale	297,316	(1,545,798)	875,557	(1,456,386)
Dividend income	61,421	268,931	137,390	1,103,922
	<u>357,439</u>	<u>(1,277,878)</u>	<u>1,014,238</u>	<u>(353,280)</u>

8. Earnings per share

There are no potential dilutive ordinary shares. Earnings per share is computed by dividing the net profit for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period:

	Three months ended September 30,		Six months ended September 30,	
	2016	2015	2016	2015
Net profit for the period attributable to shareholders of the Parent Company	<u>675,129</u>	<u>1,033,517</u>	<u>1,235,075</u>	<u>2,470,380</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of shares outstanding	<u>253,012,103</u>	<u>254,932,376</u>	<u>253,012,103</u>	<u>254,932,376</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to shareholders of the Parent Company	<u>2.67</u>	<u>4.05</u>	<u>4.88</u>	<u>9.69</u>

9. Memorandum accounts off the consolidated statement of financial position

The Parent Company manages investment portfolios for others amounting to KD 1,467,760,989 as at September 30, 2016 (March 31, 2016 – KD 1,607,625,467; September 30, 2015 – KD 1,674,857,805) to earn management fees. These investment portfolios are registered in the name of the Group and are not included in the accompanying interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

10. Related party disclosures

The Group has entered into transactions with related parties in the normal course of its business. Prices and terms of payment are approved by the Group's management. Significant balances and transactions with other related parties are as follows:

	<u>September 30,</u> <u>2016</u>	<u>(Audited)</u> <u>March 31,</u> <u>2016</u>	<u>September 30,</u> <u>2015</u>	
(i) Interim condensed consolidated statement of financial position:				
Cash on hand and at banks	7,955,186	8,687,574	7,895,187	
Accounts receivable and other debit balances	568,051	539,726	475,875	
Loans granted to others	190,899	231,789	497,836	
Loans	61,680,973	64,576,200	68,069,700	
Accounts payable and other credit balances	672,219	671,518	828,316	
	<u>Three months ended</u> <u>September 30,</u>		<u>Six months ended</u> <u>September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
(ii) Interim condensed consolidated statement of profit or loss:				
Interest income	67	29	165	87
Finance charges	(406,713)	(390,987)	(809,934)	(767,074)
(iii) Compensation to key management personnel:				
Short-term benefits	64,635	77,507	142,142	155,015
Termination benefits	5,625	6,797	12,422	13,594

SECURITIES GROUP COMPANY K.S.C. (PUBLIC) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

SEPTEMBER 30, 2016

(All amounts are in Kuwaiti Dinars)

11. Segment information

The Group is divided into operating segments for managing its business activities based on internal reporting provided to the chief operating decision maker as follows:

- Investment activities: Direct investment for the Group's benefit in securities, portfolios and funds.
- Asset management services: Portfolio and Fund management services for clients.
- Lending activities: Direct lending to others and acting as a broker in lending and borrowing activities.
- Real estate activities: Investment in real estate and managing real estate portfolios.

	For the period ended September 30,					
	2016			2015		
	Investment activities	Asset management services	Lending activities	Real estate activities	Total	Total
Segment operating revenue	1,108,912	1,059,367	-	614,684	2,782,963	1,369,868
Segment operating expenses	(809,934)	-	-	(71,879)	(881,813)	(831,511)
Unallocated operating expense					(651,380)	(675,970)
Operating profit (loss)					1,249,770	(337,613)
Group's share of results from associates					810,674	3,553,188
Loss on sale of investment properties					(23,630)	-
Other income					429	276,414
Impairment losses on financial assets available for sale					(530,304)	(1,371,306)
Foreign exchange (loss) gain					(237,648)	386,253
Contribution to KFAS					(4,197)	-
NI/ST					(27,776)	(36,692)
Zakat					(2,593)	-
Net profit for the period					<u>1,234,725</u>	<u>2,470,244</u>
Other information						
Segment assets	47,844,755	78,923	190,899	35,180,223	83,294,800	91,934,551
Investment in associates					27,781,217	33,965,297
Investment in unconsolidated subsidiaries					907,862	1,067,862
Unallocated assets					1,222,886	1,431,676
Total assets					<u>113,206,765</u>	<u>128,399,386</u>
Segment liabilities	61,680,973	-	-	-	61,680,973	68,069,700
Unallocated liabilities					4,110,445	4,462,427
Total liabilities					<u>65,791,418</u>	<u>72,532,127</u>

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12. General Assembly

The Shareholders' Annual General Assembly held on July 25, 2016 approved the distribution of cash dividends of 5 fils per share amounting to KD 1,265,061 and not to distribute board of directors' remuneration for the financial year ended March 31, 2016.

The Shareholders' Annual General Assembly held on June 24, 2015 approved the distribution of cash dividends of 10 fils per share amounting to KD 2,549,324 for the financial year ended March 31, 2015.

13. Capital commitments and contingent liabilities

	September 30, 2016	(Audited) March 31, 2016	September 30, 2015
Letters of guarantee	-	100,000	200,000
Capital commitments	<u>13,796</u>	<u>13,796</u>	<u>13,796</u>
	<u>13,796</u>	<u>113,796</u>	<u>213,796</u>

14. Fair value measurement

The details of fair value measurement hierarchy are as follow:

Level 1: Quoted (unadjusted) market price in active markets for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial instruments that are measured at fair value:

<u>September 30, 2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets at fair value through profit or loss	59,880	-	59,880
Financial assets available for sale	<u>24,462,712</u>	<u>2,334,057</u>	<u>26,796,769</u>
	<u>24,522,592</u>	<u>2,334,057</u>	<u>26,856,649</u>
<u>March 31, 2016 (Audited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets at fair value through profit or loss	58,589	-	58,589
Financial assets available for sale	<u>27,188,216</u>	<u>2,334,057</u>	<u>29,522,273</u>
	<u>27,246,805</u>	<u>2,334,057</u>	<u>29,580,862</u>
<u>September 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets at fair value through profit or loss	61,014	-	61,014
Financial assets available for sale	<u>32,428,725</u>	<u>2,361,498</u>	<u>34,790,223</u>
	<u>32,489,739</u>	<u>2,361,498</u>	<u>34,851,237</u>

During the period ended September 30, 2016, there were no transfers between different levels of fair value measurement.