

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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(UNAUDITED)**

**WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

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

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Securities Group Company K.S.C. (Closed) (the Parent Company) and subsidiaries (the Group) as at September 30, 2017 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 International Accounting Standard 34.

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 as amended, 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, 2017 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, 2017, which might have materially affected on the Group's financial position or results of its operations.


Ali Mohammed Kouhari
Licence No.156-A
Member of PrimeGlobal



Nayef M. Al Bazie
License No. 91-A
RSM Albazie & Co.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS AT SEPTEMBER 30, 2017
 (All amounts are in Kuwaiti Dinars)

	Note	September 30, 2017	(Audited) March 31, 2017	September 30, 2016
ASSETS				
Cash on hand and at banks		13,306,678	12,683,971	9,266,465
Financial assets at fair value through profit or loss		-	20,151	59,880
Accounts receivable and other debit balances		1,229,900	1,196,503	1,301,809
Loans granted to others		190,899	190,899	190,899
Financial assets available for sale	3	26,582,735	30,712,563	35,518,410
Investment in associates	4	27,823,972	28,989,894	27,781,217
Investment in unconsolidated subsidiaries		820,521	833,946	907,862
Investment held to maturity		3,000,000	3,000,000	3,000,000
Investment properties	5	33,550,627	29,663,774	35,180,223
Total assets		106,505,332	107,291,701	113,206,765
LIABILITIES AND EQUITY				
Liabilities:				
Loans	6	52,147,161	52,716,573	61,680,973
Accounts payable and other credit balances		3,711,159	4,084,591	4,110,445
Total liabilities		55,858,320	56,801,164	65,791,418
Equity:				
Capital		25,528,372	25,528,372	25,528,372
Treasury shares	7	(300,655)	(297,374)	(260,776)
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		317,305	316,137	82,802
Foreign currency translation adjustments		707,908	622,479	531,782
Cumulative changes in fair value		1,582,156	1,066,022	(1,433,771)
Retained earnings		2,530,970	2,973,725	2,685,527
Equity attributable to the shareholders of the Parent Company		50,582,726	50,426,031	47,350,606
Non-controlling interests		64,286	64,506	64,741
Total equity		50,647,012	50,490,537	47,415,347
Total liabilities and equity		106,505,332	107,291,701	113,206,765
Memorandum accounts off the consolidated statement of financial position	10	1,454,074,476	1,514,947,223	1,467,760,989

The accompanying notes (1) to (17) 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. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2017	2016	2017	2016
Revenues:					
Net investment income (loss)	8	118,094	357,439	(620,725)	1,014,238
Fees and commission income		300,496	399,968	2,077,405	1,059,367
Interest income		49,921	46,195	99,441	94,674
Rental income		324,293	312,067	530,051	614,684
Group's share of results from associate		352,945	334,276	780,309	810,674
Loss on sale of investment properties		(377,971)	(23,630)	(636,019)	(23,630)
Gain from sale of unconsolidated subsidiary		-	-	1,972	-
		<u>767,778</u>	<u>1,426,315</u>	<u>2,232,434</u>	<u>3,570,007</u>
Expenses and other charges:					
General and administrative expenses		(293,105)	(310,871)	(629,351)	(722,830)
Finance charges		(336,378)	(406,713)	(661,018)	(809,934)
Impairment losses on financial assets available for sale		-	-	-	(530,304)
Foreign exchange loss		(12,277)	(12,138)	(122,115)	(237,648)
		<u>(641,760)</u>	<u>(729,722)</u>	<u>(1,412,484)</u>	<u>(2,300,716)</u>
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		126,018	696,593	819,950	1,269,291
Contribution to KFAS		2,271	(3,353)	-	(4,197)
NLST		-	(16,103)	-	(27,776)
Zakat		-	(2,283)	-	(2,593)
Profit for the period		<u>128,289</u>	<u>674,854</u>	<u>819,950</u>	<u>1,234,725</u>
Attributable to:					
Shareholders of the Parent Company		128,424	675,129	820,170	1,235,075
Non-controlling interests		(135)	(275)	(220)	(350)
Profit for the period		<u>128,289</u>	<u>674,854</u>	<u>819,950</u>	<u>1,234,725</u>
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to the shareholders of the Parent Company	9	<u>0.51</u>	<u>2.67</u>	<u>3.25</u>	<u>4.88</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME (UNAUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2017
 (All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Six months ended September 30,	
	2017	2016	2017	2016
Profit for the period	<u>128,289</u>	<u>674,854</u>	<u>819,950</u>	<u>1,234,725</u>
Other comprehensive income (loss):				
<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	3,823,784	118,751	632,242	384,253
Reversal due to sale of financial assets available for sale	<u>(97,354)</u>	<u>(142,652)</u>	<u>(116,108)</u>	<u>(795,804)</u>
	3,726,430	(23,901)	516,134	(411,551)
Share of other comprehensive income (loss) of associate	125,914	28	125,384	(399)
Exchange differences on translating foreign operations	<u>(7,142)</u>	<u>(17,483)</u>	<u>(39,955)</u>	<u>(36,802)</u>
Other comprehensive income (loss) for the period	<u>3,845,202</u>	<u>(41,356)</u>	<u>601,563</u>	<u>(448,752)</u>
Total comprehensive income for the period	<u>3,973,491</u>	<u>633,498</u>	<u>1,421,513</u>	<u>785,973</u>
Attributable to:				
Shareholders of the Parent Company	3,973,626	633,773	1,421,733	786,323
Non-controlling interests	<u>(135)</u>	<u>(275)</u>	<u>(220)</u>	<u>(350)</u>
Total comprehensive income for the period	<u>3,973,491</u>	<u>633,498</u>	<u>1,421,513</u>	<u>785,973</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
 (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, 2017	25,528,372	(297,374)	3,046,592	12,764,186	4,405,892	316,137	622,479	1,066,022	2,973,725	50,426,031	64,506	50,490,537
Purchase of treasury shares	-	(3,281)	-	-	-	-	-	-	-	(3,281)	-	(3,281)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	85,429	516,134	820,170	1,421,733	(220)	1,421,513
Cash dividends (Note 13)	-	-	-	-	-	-	-	-	(1,262,925)	(1,262,925)	-	(1,262,925)
Effect of ownership change in an associate	-	-	-	-	-	1,168	-	-	-	1,168	-	1,168
Balance as at September 30, 2017	25,528,372	(300,655)	3,046,592	12,764,186	4,405,892	317,305	707,908	1,582,156	2,530,970	50,582,726	64,286	50,647,012
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 13)	-	-	-	-	-	-	-	-	(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

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(All amounts are in Kuwaiti Dinars)

	Six months ended September 30,	
	2017	2016
Cash flow from operating activities:		
Profit for the period before contribution to KFAS, NLST and Zakat	819,950	1,269,291
Adjustments for:		
Net investment loss (income)	620,725	(1,014,238)
Interest income	(99,441)	(94,674)
Group's share of results from associates	(780,309)	(810,674)
Loss on sale of investment properties	636,019	23,630
Gain from sale of unconsolidated subsidiaries	(1,972)	-
Provision for loans granted no longer required	-	(413)
Finance charges	661,018	809,934
Impairment losses on financial assets available for sale	-	530,304
Foreign exchange loss	122,115	237,648
	<u>1,978,105</u>	<u>950,808</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	14,230	-
Accounts receivable and other debit balances	(157,809)	(154,212)
Loans granted to others	-	41,303
Accounts payable and other credit balances	(610,038)	(138,038)
Net cash generated from operating activities	<u>1,224,488</u>	<u>699,861</u>
Cash flow from investing activities:		
Purchase of financial assets available for sale	-	(153,142)
Proceeds from sale of financial assets available for sale	3,447,403	2,812,348
Purchase of additional investment in an associate	(190,842)	-
Proceeds from capital reduction of investment in associates	1,688,485	-
Proceeds from sale of unconsolidated subsidiaries	29,400	-
Purchase of investment property	(6,500,000)	-
Proceeds from sale of investment properties	1,902,322	433,089
Interest received	97,566	92,799
Dividends received	1,194,601	1,246,328
Net cash generated from investing activities	<u>1,668,935</u>	<u>4,431,422</u>
Cash flows from financing activities:		
Loans	(569,412)	(2,895,227)
Cash dividends paid	(1,219,311)	(1,216,585)
Finance charges paid	(478,712)	(611,711)
Purchase of treasury shares	(3,281)	-
Net cash used in financing activities	<u>(2,270,716)</u>	<u>(4,723,523)</u>
Net increase in cash on hand and at banks	622,707	407,760
Cash on hand and at banks at the beginning of the period	12,683,971	8,858,705
Cash on hand and at banks at the end of the period	<u>13,306,678</u>	<u>9,266,465</u>

The accompanying notes (1) to (17) form an integral part of the interim consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2017
(All amounts are in Kuwaiti Dinars)

1. Incorporation and principal activities

Securities Group Company K.S.C. (Closed) (the Parent Company) is a Kuwaiti Closed Shareholding Company incorporated by agreement no. 786 / Vol. 2 dated October 24, 1981 and the latest amendment on July 22, 2015. 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 Shareholders' Ordinary General Assembly held on July 25, 2016 approved to delist the Parent Company's shares from Bursa Kuwait pursuant to Article No. 2-9 of the Capital Markets Authority's Executive Regulations on the system for the inclusion of shareholding companies in the stock exchange. On December 11, 2016, the Capital Markets Authority approved to delist the Parent Company's shares from Bursa Kuwait on June 15, 2017.

The interim consolidated financial information was authorized for issue by the Board of Directors on October 31, 2017.

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, 2017.

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, 2017 are not necessarily indicative of the results that may be expected for the financial year ending March 31, 2018. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended March 31, 2017.

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. (CLOSED) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2017

(All amounts are in Kuwaiti Dinars)

3. Financial assets available for sale

	September 30, 2017	(Audited) March 31, 2017	September 30, 2016
Quoted securities	16,389,900	20,511,632	24,462,712
Unquoted securities	10,192,835	10,200,931	11,055,698
	<u>26,582,735</u>	<u>30,712,563</u>	<u>35,518,410</u>

Quoted securities with a carrying value of KD 15,005,693 were pledged with a local bank against a loan (Note 6) (March 31, 2017 – KD 14,306,980; September 30, 2016 – KD 13,641,539).

4. Investment in associates

Name of the associate	Country of incorporation	Percentage of holding	September 30, 2017	(Audited) March 31, 2017	September 30, 2016
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	15,894,082	15,674,040	15,262,409
Future Communication Co. K.S.C.C.	Kuwait	33.70%	2,749,888	4,282,753	3,701,916
Kuwait Qatari Co. for Real Estate Development K.S.C.C.	Kuwait	40.72%	772,037	772,061	782,042
Al Madar Al Thahabia Co. W.L.L.	KSA	24%	6,044,645	5,884,803	5,645,357
Al-Jazeera Real Estate Development Co. K.S.C. (Closed)	Kuwait	20%	1,535,137	1,583,761	1,539,482
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	821,953	786,246	843,781
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	6,230
			<u>27,823,972</u>	<u>28,989,894</u>	<u>27,781,217</u>

5. Investment properties

During the period, the Group purchased investment properties amounting to KD 6,500,000 from a related party (Note 11).

6. Loans

Revolving loans carry an annual interest rate ranging from 2.75% to 3.75% (March 31, 2017 – 2.75% to 3.75%, September 30, 2016 – 2.25% to 3.25%). Loan of KD 15,815,000 is secured by quoted securities (Note 3) and other loans are secured by promissory notes. The loan of KD 15,815,000 and KD 36,332,161 are due for settlement on March 15, 2020 and May 15, 2018 respectively.

7. Treasury shares

	September 30, 2017	(Audited) March 31, 2017	September 30, 2016
Number of treasury shares	2,697,482	2,663,123	2,271,615
Percentage of ownership	1.06%	1.04%	0.89%
Market value (KD)	269,748	252,997	193,087
Cost (KD)	300,655	297,374	260,776

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.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2017
 (All amounts are in Kuwaiti Dinars)

8. Net investment income (loss)

	Three months ended September 30,		Six months ended September 30,	
	2017	2016	2017	2016
Unrealized (loss) gain from financial assets at fair value through profit or loss	-	(1,298)	-	1,291
Realized loss on sale of financial assets at fair value through profit or loss	-	-	(5,921)	-
Realized gain (loss) on sale of financial assets available for sale	112,383	297,316	(1,198,560)	875,557
Dividend income	5,711	61,421	583,756	137,390
	<u>118,094</u>	<u>357,439</u>	<u>(620,725)</u>	<u>1,014,238</u>

9. Earnings per share

There are no potential dilutive ordinary shares. Earnings per share is computed by dividing the 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,	
	2017	2016	2017	2016
Profit for the period attributable to shareholders of the Parent Company	<u>128,424</u>	<u>675,129</u>	<u>820,170</u>	<u>1,235,075</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of shares outstanding	<u>252,586,236</u>	<u>253,012,103</u>	<u>252,586,236</u>	<u>253,012,103</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to shareholde of the Parent Company	<u>0.51</u>	<u>2.67</u>	<u>3.25</u>	<u>4.88</u>

10. Memorandum accounts off the consolidated statement of financial position

The Parent Company manages investment portfolios for others amounting to KD 1,454,074,469 as at September 30, 2017 (March 31, 2017 – KD 1,514,947,223; September 30, 2016 – KD 1,467,760,989) 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. (CLOSED) AND SUBSIDIARIES (THE GROUP)
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 SEPTEMBER 30, 2017
 (All amounts are in Kuwaiti Dinars)

11. Related party disclosures

The Group has entered into various transactions with related parties concerning financing and other related services. Prices and terms of payment are to be approved by the Group's management. Significant balances and transactions with other related parties are as follows:

	<u>September 30, 2017</u>	<u>(Audited) March 31, 2017</u>	<u>September 30, 2016</u>
(i) Interim condensed consolidated statement of financial position:			
Cash on hand and at banks	12,090,904	11,357,247	7,955,186
Accounts receivable and other debit balances	541,302	508,331	568,051
Loans granted to others	190,899	190,899	190,899
Loans	52,147,161	52,716,573	61,680,973
Accounts payable and other credit balances	816,809	1,030,135	672,219
	<u>Three months ended September 30,</u>	<u>Six months ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>
(ii) Interim condensed consolidated statement of profit or loss:			
Interest income	42	67	80
Finance charges	(336,378)	(406,713)	(661,018)
(iii) Compensation to key management personnel:			
Short-term benefits	68,924	64,635	137,850
Termination benefits	6,015	5,625	12,031

During the period, the Group purchased investment properties amounting to KD 6,500,000 from a related party (Note 5).

**SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2017**

(All amounts are in Kuwaiti Dinars)

12. 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,				
	2017		2016		
	Investment activities	Asset management services	Lending activities	Real estate activities	Total
Segment operating revenue	(521,284)	2,077,405	-	530,051	2,086,172
Segment operating expenses	(661,018)	-	-	(59,892)	(720,910)
Unallocated operating expense					(569,459)
Operating profit					795,803
Group's share of results from associates					780,309
Loss on sale of investment properties					(636,019)
Gain from sale of unconsolidated subsidiary					1,972
Impairment losses on financial assets available for sale					-
Foreign exchange loss					(122,115)
Contribution to KFAS					-
NLST					-
Zakat					-
Profit for the period					819,950
Other information					
Segment assets	42,889,413	55,981	190,899	33,550,627	76,686,920
Investment in associates					27,823,972
Investment in unconsolidated subsidiaries					820,521
Unallocated assets					1,173,919
Total assets					106,505,332
Segment liabilities	52,147,161	-	-	-	52,147,161
Unallocated liabilities					3,711,159
Total liabilities					55,858,320
Investment activities	1,108,912	1,059,367	-	614,684	2,782,963
Asset management services	(809,934)	-	-	(71,879)	(881,813)
Lending activities					(650,951)
Real estate activities					1,250,199
Total					810,674
					(23,630)
					(530,304)
					(237,648)
					(4,197)
					(27,776)
					(2,593)
					1,234,725
Investment activities	47,844,755	78,923	190,899	35,180,223	83,294,800
Asset management services					27,781,217
Lending activities					907,862
Real estate activities					1,222,886
Total					113,206,765
Investment activities	61,680,973	-	-	-	61,680,973
Asset management services					4,110,445
Lending activities					65,791,418
Real estate activities					
Total					

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13. General Assembly

The Shareholders' Annual General Assembly held on July 24, 2017 approved the distribution of cash dividends of 5 fils per share amounting to KD 1,262,925 and to distribute Board of Directors' remuneration amounting to KD 25,000 for the financial year ended March 31, 2017.

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.

14. Capital commitments and contingent liabilities

	September 30, 2017	(Audited) March 31, 2017	September 30, 2016
Capital commitments	-	13,796	13,796

15. Maturity profile of assets and liabilities

The maturity profile of assets and liabilities as at September 30, 2017 was as follows:

	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total
Assets						
Cash on hand and at banks	13,306,678	-	-	-	-	13,306,678
Accounts receivable and other debit balances	-	-	1,229,900	-	-	1,229,900
Loans granted to others	-	190,899	-	-	-	190,899
Financial assets available for sale	16,389,900	-	-	10,192,835	-	26,582,735
Investment in associates	-	-	-	27,823,972	-	27,823,972
Investment in unconsolidated subsidiaries	-	-	-	820,521	-	820,521
Investment held to maturity	-	-	-	-	3,000,000	3,000,000
Investment properties	-	-	-	33,550,627	-	33,550,627
	<u>29,696,578</u>	<u>190,899</u>	<u>1,229,900</u>	<u>72,387,955</u>	<u>3,000,000</u>	<u>106,505,332</u>
Liabilities						
Loans	-	-	36,332,161	15,815,000	-	52,147,161
Accounts payable and other credit balances	3,750	108,784	672,199	2,926,426	-	3,711,159
	<u>3,750</u>	<u>108,784</u>	<u>37,004,360</u>	<u>18,741,426</u>	<u>-</u>	<u>55,858,320</u>

16. 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.

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

<u>September 30, 2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Financial assets available for sale	16,389,900	2,535,305	18,925,205
March 31, 2017 (Audited)	Level 1	Level 2	Total
Financial assets at fair value through profit or loss	20,151	-	20,151
Financial assets available for sale	20,511,632	2,535,305	23,046,937
	<u>20,531,783</u>	<u>2,535,305</u>	<u>23,067,088</u>
<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	24,462,712	2,334,057	26,796,769
	<u>24,522,592</u>	<u>2,334,057</u>	<u>26,856,649</u>

During the period ended September 30, 2017, there were no transfers between different levels of fair value measurement.

17. Working capital

As at September 30, 2017, the Group's current liabilities exceeded its current assets by KD 5,999,517. The interim consolidated financial information have been prepared assuming the Group will continue as a going concern which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The Group's ability to continue as a going concern depends on its ability to improve profitability and enhance its future cash flows.

During the period ended September 30, 2017, the bank facilities increased by the amount of KD 6,298,650 and also the Group paid KD 6,868,062 out of its outstanding bank facilities.

The management is confident that the Group has the ability to realize its assets and meet its obligations on time and is of the opinion that the Group's lenders will continue to renew the outstanding borrowings on their respective due dates considering the Group's ability to generate cash inflows, realizing profits each financial year in addition to the Group's ability to distribute annual cash dividends to the shareholders.