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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2013  
(UNAUDITED)  
WITH**

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

# 2nd Quarter Report

إدارة مركز المعلومات والتوثيق الآلي

سوق الكويت للأوراق المالية

صفحة 1 من 1

تاريخ المراجعة: 2013/10/20

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تاريخ الإصدار: 2013/10/20

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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2013  
(UNAUDITED)**

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

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

INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2013  
(UNAUDITED)  
WITH  
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 its subsidiaries (the Group) as of September 30, 2013 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 Consolidated Financial Information performed by the Independent Auditor of the Entity". A review of interim 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.

### Basis for Qualified Conclusion

The Group's investment in Kuwait Qatari Co. for Real Estate Development K.S.C.C. (associate) was accounted based on management accounts as of June 30, 2013 (Note 5). Furthermore we have not obtained the audited financial statements of the associate as of December 31, 2012 and our opinion was qualified on the consolidated financial statements of the Group for the year ended March 31, 2013 in this regard. Consequently, we were unable to ascertain whether any further adjustments to the carrying amount of the investment were necessary.

### Qualified Conclusion

Based on our review, except for the possible effect of the matter described in the Basis for Qualified Conclusion paragraph, 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. 25 of 2012, as amended or of the Parent Company's Memorandum of Incorporation and Articles of Association during the period ended September 30, 2013 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, we have not become aware of any material 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 period ended September 30, 2013.

Ali Owaid Rukheyas  
Licence No. 72-A  
Member of the International Group of  
Accounting Firms

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

State of Kuwait  
November 18, 2013

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)  
 AS OF SEPTEMBER 30, 2013  
 (All amounts are in Kuwaiti Dinars)

	Note	September 30, 2013	(Audited) March 31, 2013	September 30, 2012
<b>ASSETS</b>				
Cash on hand and at banks		7,966,271	7,051,721	6,442,142
Investments at fair value through profit or loss		4,832,030	4,835,200	5,048,160
Accounts receivable and other debit balances	3	4,825,050	2,059,388	3,520,493
Loans granted to others		512,372	362,935	-
Investments available for sale	4	46,752,405	51,617,346	54,625,038
Investment in associates	5	26,772,793	26,963,299	25,899,360
Investment in unconsolidated subsidiaries		1,069,405	589,405	896,305
Investment held to maturity		3,000,000	3,000,000	-
Investment properties	6	27,389,556	24,038,637	13,083,338
<b>Total assets</b>		<b>123,119,882</b>	<b>120,517,931</b>	<b>109,514,836</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Loans	7	66,200,000	63,315,000	53,631,003
Accounts payable and other credit balances		2,912,372	2,115,932	2,651,966
<b>Total liabilities</b>		<b>69,112,372</b>	<b>65,430,932</b>	<b>56,282,969</b>
<b>Equity:</b>				
Capital		25,528,372	25,528,372	25,528,372
Treasury shares	8	(87,765)	(87,765)	(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
Foreign currency translation adjustments		105,841	151,564	(4,159)
Cumulative changes in fair value		(12,172,234)	(11,279,149)	(11,422,075)
Retained earnings		20,349,105	20,489,621	18,933,892
Equity attributable to the shareholders of Parent Company		53,939,989	55,019,313	53,164,935
Non-controlling interests		67,521	67,686	66,932
<b>Total equity</b>		<b>54,007,510</b>	<b>55,086,999</b>	<b>53,231,867</b>
<b>Total liabilities and equity</b>		<b>123,119,882</b>	<b>120,517,931</b>	<b>109,514,836</b>
Memorandum accounts off the consolidated statement of financial position	11	1,617,479,516	1,370,595,222	1,244,782,650

The accompanying notes (1) to (16) form an integral part of the interim consolidated financial information

Khaled S. Al-Ali  
 Chairman

Ali Y. Al-Awadi  
 Vice Chairman and Managing Director

**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, 2013**  
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2013	2012	2013	2012
<b>Revenues:</b>					
Net investment income (loss)	9	76,189	(2,957,095)	327,969	(3,436,042)
Interest income		83,721	27,402	129,785	36,436
Fees and commission income		1,026,470	347,564	1,251,970	683,233
Rental income		116,389	171,771	297,342	342,201
Group's share of results from associates	5	338,665	28,129	1,009,091	410,022
Other income (expense)		55,790	(1,044)	128,012	38,483
		<u>1,697,224</u>	<u>(2,383,273)</u>	<u>3,144,169</u>	<u>(1,925,667)</u>
<b>Expenses and other charges:</b>					
General and administrative expenses		(317,086)	(333,310)	(649,406)	(817,670)
Finance charges		(389,516)	(383,321)	(771,081)	(617,383)
Impairment loss on investments available for sale		-	(1,249,275)	(161,196)	(2,873,222)
Net provision no longer required (charged)	5	15,773	5,000	(398,830)	5,000
		<u>(690,829)</u>	<u>(1,960,906)</u>	<u>(1,980,513)</u>	<u>(4,303,275)</u>
Profit (loss) for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		1,006,395	(4,344,179)	1,163,656	(6,228,942)
Contribution to KFAS		(1,546)	-	(1,546)	-
NLST		(24,469)	-	(26,539)	-
Zakat		(1,590)	-	(1,590)	-
<b>Net profit (loss) for the period</b>		<u>978,790</u>	<u>(4,344,179)</u>	<u>1,133,981</u>	<u>(6,228,942)</u>
<b>Attributable to:</b>					
Shareholders of the Parent Company		978,901	(4,342,876)	1,134,146	(6,227,913)
Non-controlling interests		(111)	(1,303)	(165)	(1,029)
<b>Net profit (loss) for the period</b>		<u>978,790</u>	<u>(4,344,179)</u>	<u>1,133,981</u>	<u>(6,228,942)</u>
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings (loss) per share attributable to the shareholders of the Parent Company	10	<u>3.84</u>	<u>(17.04)</u>	<u>4.45</u>	<u>(24.43)</u>

The accompanying notes (1) to (16) 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, 2013**  
**(All amounts are in Kuwaiti Dinars)**

	Three months ended September 30		Six months ended September 30	
	2013	2012	2013	2012
Net profit (loss) for the period	<u>978,790</u>	<u>(4,344,179)</u>	<u>1,133,981</u>	<u>(6,228,942)</u>
<b>Other comprehensive Income (loss):</b>				
<u>Items that may be reclassified subsequently to statement of profit or loss</u>				
Investments available for sale:				
Changes in fair value of investments available for sale	(726,415)	(2,252,520)	(793,341)	(2,310,362)
Reversal on sale of investments available for sale	<u>(10,330)</u>	<u>3,171,086</u>	<u>(99,744)</u>	<u>3,544,141</u>
	<u>(736,745)</u>	<u>918,566</u>	<u>(893,085)</u>	<u>1,233,779</u>
Share of other comprehensive income (loss) from associates	-	-	440	(2,506)
Foreign currency translation adjustments	<u>(67,387)</u>	<u>(14,051)</u>	<u>(46,163)</u>	<u>(3,167)</u>
Other comprehensive (loss) Income for the period	<u>(804,132)</u>	<u>904,515</u>	<u>(938,808)</u>	<u>1,228,106</u>
<b>Total comprehensive Income (loss) for the period</b>	<u><b>174,658</b></u>	<u><b>(3,439,664)</b></u>	<u><b>195,173</b></u>	<u><b>(5,000,836)</b></u>
Attributable to:				
Shareholders of the Parent Company	174,769	(3,438,361)	195,338	(4,999,807)
Non-controlling interests	<u>(111)</u>	<u>(1,303)</u>	<u>(165)</u>	<u>(1,029)</u>
<b>Total comprehensive income (loss) for the period</b>	<u><b>174,658</b></u>	<u><b>(3,439,664)</b></u>	<u><b>195,173</b></u>	<u><b>(5,000,836)</b></u>

The accompanying notes (1) to (16) 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, 2013**

(All amounts are in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company										
	Capital	Treasury shares	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation adjustments	Cumulative changes in fair value	Retained earnings	Sub-total	Non-controlling interests	Total
Balance as of March 31, 2013	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	151,564	(11,279,149)	20,489,621	55,019,313	67,686	55,086,999
Total comprehensive (loss) income for the period	-	-	-	-	-	(45,723)	(893,085)	1,134,146	195,338	(165)	195,173
Cash dividends (Note 14)	-	-	-	-	-	-	-	(1,274,662)	(1,274,662)	-	(1,274,662)
Balance as of September 30, 2013	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>105,841</u>	<u>(12,172,234)</u>	<u>20,349,105</u>	<u>53,939,989</u>	<u>67,521</u>	<u>54,007,510</u>
Balance as of March 31, 2012	25,528,372	(87,765)	3,046,592	12,764,186	4,405,892	2,128	(12,656,468)	25,161,805	58,164,742	67,961	58,232,703
Total comprehensive (loss) income for the period	-	-	-	-	-	(6,287)	1,234,393	(6,227,913)	(4,999,807)	(1,029)	(5,000,836)
Balance as of September 30, 2012	<u>25,528,372</u>	<u>(87,765)</u>	<u>3,046,592</u>	<u>12,764,186</u>	<u>4,405,892</u>	<u>(4,159)</u>	<u>(11,422,075)</u>	<u>18,933,892</u>	<u>53,164,935</u>	<u>66,932</u>	<u>53,231,867</u>

The accompanying notes (1) to (16) 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, 2013**  
 (All amounts are in Kuwaiti Dinars)

	Six months ended September 30,	
	2013	2012
<b>Cash flow from operating activities:</b>		
Profit (loss) for the period before contribution to KFAS, NLST and Zakat	1,163,656	(6,228,942)
Adjustments to:		
Net investment (income) loss	(327,969)	3,436,042
Interest income	(129,785)	(36,436)
Group's share of results from associates	(1,009,091)	(410,022)
Net provision charged (no longer required)	398,830	(5,000)
Finance charges	771,081	617,383
Impairment loss on investments available for sale	161,196	2,873,222
	<u>1,027,918</u>	<u>246,247</u>
Changes in operating assets and liabilities:		
Investments at fair value through profit or loss	64,091	(5,068,631)
Accounts receivable and other debit balances	(2,765,663)	147,641
Loans granted to others	(150,946)	-
Accounts payable and other credit balances	420,888	(302,678)
Net cash used in operating activities	<u>(1,403,712)</u>	<u>(4,977,421)</u>
<b>Cash flow from investing activities:</b>		
Purchase of investments available for sale	(75,110)	(7,282,362)
Proceeds from sale of investments available for sale	3,978,636	8,080,881
Paid for investment in associates	-	(12,353,256)
Proceeds from liquidation of an associate	-	59,699
Paid for investment in unconsolidated subsidiaries	(480,000)	(15,086)
Paid for investment properties	(3,408,232)	(7,564,561)
Interest received	129,785	36,436
Dividends received	999,049	785,559
Net cash generated from (used in) investing activities	<u>1,144,128</u>	<u>(18,252,690)</u>
<b>Cash flows from financing activities:</b>		
Loans	2,885,000	22,799,999
Cash dividends paid	(1,198,642)	(62,488)
Finance charges paid	(512,224)	(293,811)
Net cash generated from financing activities	<u>1,174,134</u>	<u>22,443,700</u>
Net increase (decrease) in cash on hand and at banks	914,550	(786,411)
Cash on hand and at banks at the beginning of the period	7,051,721	7,228,553
Cash on hand and at banks at the end of the period	<u>7,966,271</u>	<u>6,442,142</u>

The accompanying notes (1) to (16) 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, 2013**  
(All amounts are in Kuwaiti Dinars)

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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 dated September 9, 2007. 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 manager 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 interim consolidated financial information was authorized for issue by the Board of Directors on November 18, 2013.

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 year ended March 31, 2013 except for the implementation of the following standards which are effective January 1, 2013:

IAS 1 Presentation of items of other comprehensive income:

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories

- a) Items that will not be reclassified, subsequently to consolidated statement of profit or loss.
- b) Items that may be reclassified to consolidated statement of profit or loss when specific conditions are met.

IFRS 7 Financial Instruments Disclosures

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

IFRS 10 Consolidated Financial Statements

The new Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. It introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where control is based on whether an investor has power over the investee, exposure/rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

IFRS 12 Disclosure of Interests in Other Entities

The new Standard combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.

**SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2013**  
 (All amounts are in Kuwaiti Dinars)

IFRS 13 Fair Value Measurement

This IFRS

- a) defines fair value
- b) sets out in a single IFRS a framework for measuring fair value and
- c) requires disclosures about fair value measurements.

IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value.

The adoption of the above mentioned standards did not have a material impact on the interim consolidated financial information.

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 period ended September 30, 2013 are not necessarily indicative of the results that may be expected for the year ending March 31, 2014. For further information, refer to the consolidated financial statements and notes thereto for the year ended March 31, 2013.

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

3. Accounts receivable and other debit balances

During the period, the Group made advance payments amounting to KD 2,084,967 for acquiring investments.

4. Investments available for sale

	September 30, 2013	(Audited) March 31, 2013	September 30, 2012
Quoted securities	35,082,422	35,811,442	36,002,990
Unquoted securities	11,639,412	11,800,600	14,616,744
Funds	30,571	4,005,304	4,005,304
	<u>46,752,405</u>	<u>51,617,346</u>	<u>54,625,038</u>

Unquoted securities and investment in funds with a carrying value of KD 9,306,020 are carried at cost less impairment losses, due to the unpredictable nature of their future cash flows and lack of other suitable methods for arriving at a reliable fair value for these investments (March 31, 2013 – KD 9,467,208; September 30, 2012 – KD 14,647,315). There is no active market for these investments and the Group intends to hold them for the long term.

Quoted securities with a carrying value of KD 18,070,500 were pledged with a local bank against a loan (Note 7) (March 31, 2013 – KD 18,328,650; September 30, 2012 – KD 18,328,650).

**SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2013**  
 (All amounts are in Kuwaiti Dinars)

5. Investment in associates

<u>Name of the associate</u>	<u>Country of incorporation</u>	<u>Percentage of holding</u>	<u>September 30, 2013</u>	<u>(Audited) March 31, 2013</u>	<u>September 30, 2012</u>
Kuwait Saudi Pharmaceutical Industries Co. S.A.K. (Closed)	Kuwait	50%	13,150,035	13,184,153	12,341,213
Kuwait Qatari Co. for Real Estate Development K.S.C.C (a)	Kuwait	40.72%	4,830,760	4,830,760	4,697,955
Future Communication Co. K.S.C.C	Kuwait	28.18%	7,923,588	8,102,126	8,054,593
Alpha Atlantique Du Sahara S.A.	Morocco	22.52%	862,180	840,030	805,599
Mena Equities Ltd.	British Virgin Islands	44.15%	6,230	6,230	-
			<u>26,772,793</u>	<u>26,963,299</u>	<u>25,899,360</u>

a) During the period, the Group recognized KD 397,321 as share of results from Kuwait Qatari Co. for Real Estate Development K.S.C.C. based on the management accounts as of June 30, 2013 and a provision of KD 397,321 was recorded against the share of results.

6. Investment properties

During the period, the Group acquired investment properties for KD 3,408,232.

7. Loans

	<u>September 30, 2013</u>	<u>(Audited) March 31, 2013</u>	<u>September 30, 2012</u>
Loans maturing within 3 months	40,385,000	-	27,816,003
Loans maturing from 3 months to one year	25,815,000	63,315,000	25,815,000
	<u>66,200,000</u>	<u>63,315,000</u>	<u>53,631,003</u>

Loans carry an annual interest rate ranging from 2% to 3% (March 31, 2013 – 2% to 3%, September 30, 2012 – 2.5% to 3.5%). Loan of KD 25,815,000 is secured by quoted securities (Note 4) and other loans are secured by promissory notes (March 31, 2013 – KD 25,815,000, September 30, 2012 – KD 25,815,000).

8. Treasury shares

	<u>September 30, 2013</u>	<u>(Audited) March 31, 2013</u>	<u>September 30, 2012</u>
Number of treasury shares	351,342	351,342	351,342
Percentage of ownership	0.14%	0.14%	0.14%
Market value (KD)	39,350	42,864	49,188
Cost (KD)	87,765	87,765	87,765

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9. Net investment income (loss)

	Three months ended September 30,		Six months ended September 30,	
	2013	2012	2013	2012
Unrealized (loss) gain from investments at fair value through profit or loss	(100,120)	(122,440)	58,430	(269,996)
Realized (loss) gain from sale of investments at fair value through profit or loss	-	(45,357)	2,491	(51,155)
Realized gain (loss) from sale of investments available for sale	39,832	(3,204,033)	92,866	(3,599,732)
Dividend income	136,477	414,735	174,182	484,841
	<u>76,189</u>	<u>(2,957,095)</u>	<u>327,969</u>	<u>(3,436,042)</u>

10. Earnings (loss) per share

There are no potential dilutive ordinary shares. Earnings (loss) per share is calculated by dividing the net profit (loss) for the period by the weighted average number of shares outstanding during the period:

	Three months ended September 30,		Six months ended September 30,	
	2013	2012	2013	2012
Net profit (loss) for the period attributable to shareholders of the Parent Company	<u>978,901</u>	<u>(4,342,876)</u>	<u>1,134,146</u>	<u>(6,227,913)</u>
	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Weighted average number of shares outstanding	<u>254,932,376</u>	<u>254,932,376</u>	<u>254,932,376</u>	<u>254,932,376</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings (loss) per share attributable to shareholders of the Parent Company	<u>3.84</u>	<u>(17.04)</u>	<u>4.45</u>	<u>(24.43)</u>

11. Memorandum accounts off the consolidated statement of financial position

As of September 30, 2013, the Parent Company manages investment portfolios and funds for related parties and others amounting to KD 1,617,479,516 to earn management fees (March 31, 2013 – KD 1,370,595,222, September 30, 2012 – KD 1,244,782,650). These investment portfolios are registered in the name of the Group and are not included in the accompanying interim consolidated financial information.

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**12. Related party transactions**

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>2013</u>	<u>(Audited)</u> <u>March 31,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u>
<b>(I) Interim condensed consolidated statement of financial position:</b>			
Cash at banks	7,668,715	6,813,575	6,004,610
Accounts receivable and other debit balances	1,529,624	510,870	507,903
Loan granted to others	512,372	362,935	-
Loans	66,200,000	63,315,000	53,631,003
Accounts payable and other credit balances	776,025	309,787	736,424
	<u>Three months ended</u> <u>September 30,</u>	<u>Six months ended</u> <u>September 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>
			<u>2012</u>
<b>(ii) Interim condensed consolidated statement of profit or loss</b>			
Interest income	643	2,402	1,724
Finance charges	(389,516)	(383,321)	(617,383)
<b>(iii) Compensation to key management personnel:</b>			
Short-term benefits	71,458	71,376	142,916
Termination benefits	5,728	5,208	133,460
	11,456	11,456	10,037

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13. 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,			
	2013		2012	
	Investment activities	Asset management services	Lending activities	Real estate activities
Segment operating revenue (loss)	457,754	919,308	332,662	297,342
Segment operating expenses	(771,081)	-	-	(59,320)
Unallocated operating expense				
Operating income (loss)				
Group's share of results from associates				
Other income				
Impairment loss on investments available for sale				
Net provision (charged) no longer required				
Contribution to KFAS				
NLST				
Zakat				
Net profit (loss) for the period				
	2,007,066	683,233	342,201	410,022
	(830,401)	-	(51,501)	38,483
	(590,086)	-	-	(2,873,222)
	586,579	-	-	5,000
	1,009,091	-	-	-
	128,012	-	-	-
	(161,196)	-	-	-
	(398,830)	-	-	-
	(1,546)	-	-	-
	(26,539)	-	-	-
	(1,590)	-	-	-
	1,133,981	-	-	-
	(2,374,172)	-	-	-
	(668,884)	-	-	-
	(766,169)	-	-	-
	(3,809,225)	-	-	-
	410,022	-	-	-
	38,483	-	-	-
	(2,873,222)	-	-	-
	5,000	-	-	-
	-	-	-	-
	-	-	-	-
	(6,228,942)	-	-	-



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14. General Assembly

The Shareholders' Annual General Assembly held on August 18, 2013 approved the distribution of cash dividends of 5 fils per share for the year ended March 31, 2013.

15. Capital commitments and contingent liabilities

	September 30, 2013	(Audited) March 31, 2013	September 30, 2012
Letters of guarantee	200,000	200,000	200,000
Uncalled capital for investments	13,796	13,796	13,796
	<u>213,796</u>	<u>213,796</u>	<u>213,796</u>

16. Fair value of financial instruments

IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

<u>September 30, 2013</u>	Level 1	Level 2	Total
Investments at fair value through profit or loss	4,832,030	-	4,832,030
Investments available for sale	35,082,422	2,363,963	37,446,385
	<u>39,914,452</u>	<u>2,363,963</u>	<u>42,278,415</u>
<u>March 31, 2013 (Audited)</u>	Level 1	Level 2	Total
Investments at fair value through profit or loss	4,835,200	-	4,835,200
Investments available for sale	35,811,442	6,338,696	42,150,138
	<u>40,646,642</u>	<u>6,338,696</u>	<u>46,985,338</u>
<u>September 30, 2012</u>	Level 1	Level 2	Total
Investments at fair value through profit or loss	5,048,160	-	5,048,160
Investments available for sale	36,002,990	3,974,733	39,977,723
	<u>41,051,150</u>	<u>3,974,733</u>	<u>45,025,883</u>

During the period ended September 30, 2013, there were no transfers between different levels of fair value measurement.