THE SECURITIES HOUSE K.S.C. (CLOSED) AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2013

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE SECURITIES HOUSE K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Securities House K.S.C. (Closed) (the "parent company") and its subsidiaries (collectively, the "group") as at 30 June 2013 and the related interim condensed consolidated statements of income and interim condensed consolidated statements of comprehensive income for the three months and six months period then ended, and the related 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 the basis of presentation set out in Note 2. 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 the basis of presentation set out in Note 2.

Emphasis of a Matter

Without qualifying our conclusion, we draw attention to Note 2 to the interim condensed consolidated financial information which indicates that the group's current liabilities exceeded its current assets by KD 46,139,842 (31 December 2012: KD 48,260,628 and 30 June 2012: KD 38,356,779). These conditions indicate the existence of a material uncertainty about the group's ability to continue as a going concern. However, the interim condensed consolidated financial information has been prepared on a going concern basis because the group has been able to extend the settlement of its current liabilities or swap certain of its liabilities with financial assets. The management of the group is of the opinion that the group will continue with the same strategy going forward (Note 2).

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF THE SECURITIES HOUSE K.S.C. (CLOSED) (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 the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 25 of 2012 as amended, or of the parent company's Articles of Association and Memorandum of Incorporation during the six months period ended 30 June 2013 that might have had a material effect on the business of the parent company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, 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 organisation of banking business, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six months period ended 30 June 2012.

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15 August 2013
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2013

	Notes	Three months ended 30 June 2013 KD	Three months ended 30 June 2012 KD	Six months ended 30 June 2013 KD	Six months ended 30 June 2012 KD
CONTINUING OPERATIONS					
INCOME					
From investment activities					
Realised loss on sale of financial assets at fair value through profit or loss		-	(56,543)	-	(56,543)
Realised gain on sale of financial assets available for sale		47,168	-	350,763	-
Dividends and return on murabaha finances		133,562	2,515	148,237	6,372
Share of results of associates		385,993	204,191	724,351	232,090
Realised gain on sale of investment in an associate		-	-	-	243,886
Management fee income		191,864	552,352	388,353	714,927
Investment services (loss) income		(6,032)	27,399	288,222	27,677
Total income from investment activities		752,555	729,914	1,899,926	1,168,409
From commercial activities					
Sales of goods and services		1,292,852	989,471	2,406,813	1,867,984
Cost of sales		(1,217,895)	(866,220)	(2,277,874)	(1,630,608)
Gross profit from commercial activities		74,957	123,251	128,939	237,376
Other income		53,098	114,900	199,378	107,251
TOTAL INCOME		880,610	968,065	2,228,243	1,513,036
EXPENSES					
Staff costs		272,691	267,965	572,030	506,630
Selling and distribution expenses		14,287	19,219	31,534	28,819
General and administration expenses		265,458	232,695	471,966	550,880
TOTAL EXPENSES		552,436	519,879	1,075,530	1,086,329
PROFIT BEFORE FAIR VALUE ADJUSTMENTS, IMPAIRMENTS, MURABAHA PAYABLE COSTS AND TAXATION		328,174	448,186	1,152,713	426,707
Unrealised gain (loss) on financial assets at fair value through profit or loss		26,126	(527,702)	(247,641)	(514,828)
Impairment loss on financial assets available for sale		(168,731)	-	(168,731)	-
Unrealised gain on investment properties		-	3,060	-	3,060
Murabaha payable costs		(154,009)	(700,028)	(307,092)	(1,708,889)
National Labour Support Tax		(7,793)	-	(17,609)	-
Zakat		(3,502)	-	(7,914)	-
Profit (loss) from continuing operations		20,265	(776,484)	403,726	(1,793,950)
DISCONTINUE OPERATIONS:					
Profit from discontinued operations	7	389,523	327,178	717,816	655,549
PROFIT (LOSS) FOR THE PERIOD		409,788	(449,306)	1,121,542	(1,138,401)
Attributable to:					
Equity holders of the parent company		338,950	(465,712)	765,907	(1,165,040)
Non-controlling interests		70,838	16,406	355,635	26,639
		409,788	(449,306)	1,121,542	(1,138,401)
Basic and diluted earnings (loss) per share attributable to equity holders of the parent company	4	0.5 fils	(0.7) fils	1.2 fils	(1.8) fils
Basic and diluted (loss) earnings per share from continuing operations attributable to equity holders of the parent company	4	(0.04) fils	(1.2) fils	0.1 fils	(2.9) fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2013

	Three months ended 30 June		*Six months ended 30 June*	
	2013	*2012*	***2013***	*2012*
	KD	*KD*	***KD***	*KD*
Profit (loss) for the period	**409,788**	(449,306)	**1,121,542**	(1,138,401)
Other comprehensive income:				
Other comprehensive income (loss) to be reclassified to interim condensed consolidated statement of income in subsequent periods:				
Foreign currency translation adjustment	**145,174**	6,856	**162,139**	6,856
Cumulative changes in equity of associates (Note 6)	**(235,115)**	(782,108)	**(3,235,806)**	682,328
Cumulative changes in fair values	**473,120**	-	**473,120**	(88,712)
Net other comprehensive income (loss) to be reclassified to interim condensed consolidated statement of income in subsequent periods	**383,179**	(775,252)	**(2,600,547)**	600,472
Total comprehensive income (loss) for the period	**792,967**	(1,224,558)	**(1,479,005)**	(537,929)
Attributable to:				
Equity holders of the parent company	**722,129**	(1,240,964)	**(1,839,327)**	(564,568)
Non-controlling interests	**70,838**	16,406	**360,322**	26,639
	792,967	(1,224,558)	**(1,479,005)**	(537,929)

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

The Securities House K.S.C. (Closed) and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2013

	Notes	***30 June 2013 KD***	*(Audited) 31 December 2012 KD*	*30 June 2012 KD*
ASSETS				
Bank balances and cash	5	**2,259,419**	5,139,203	1,234,171
Short-term murabaha investments	5	**3,918,243**	1,243,077	1,343,176
Accounts receivable and prepayments		**2,286,264**	1,540,802	2,236,614
Inventories		**724,806**	804,357	824,058
Financial assets at fair value through profit or loss		**5,737,615**	5,961,944	6,475,625
Financial assets available for sale		**4,767,993**	4,219,910	4,241,521
Investment in associates	6	**87,706,948**	90,504,323	86,072,920
Investment properties		**536,222**	536,222	534,150
Property, plant and equipment		**12,677,078**	12,631,403	12,642,840
Assets classified as held for sale	7	**7,952,773**	7,510,361	5,497,290
TOTAL ASSETS		**128,567,361**	130,091,602	121,102,365
EQUITY				
Share capital		**68,000,000**	68,000,000	68,000,000
Cumulative changes in fair values		**473,120**	-	(88,712)
Foreign currency translation reserve		**165,896**	8,444	(7,051)
Employee share purchase plan reserve		**545,456**	545,456	545,456
Other reserve		**(255,897)**	(255,897)	-
Treasury shares reserve		**11,376,864**	11,376,864	11,376,864
Treasury shares	8	**(19,867,108)**	(19,867,108)	(19,867,108)
Cumulative changes in equity of associates		**982,327**	4,218,133	1,260,174
Accumulated losses		**(7,503,267)**	(8,269,174)	(9,041,693)
Equity attributable to equity holders of the parent company		**53,917,391**	55,756,718	52,177,930
Non-controlling interests		**6,299,650**	5,957,513	467,328
TOTAL EQUITY		**60,217,041**	61,714,231	52,645,258
LIABILITIES				
Murabaha payables	9	**51,052,808**	51,607,954	51,547,225
Accounts payable and accruals		**14,654,736**	13,898,422	14,538,930
Employees' end of service benefits		**418,886**	371,702	824,759
Liabilities directly associated with the assets classified as held for sale	7	**2,223,890**	2,499,293	1,546,193
TOTAL LIABILITIES		**68,350,320**	68,377,371	68,457,107
TOTAL EQUITY AND LIABILITIES		**128,567,361**	130,091,602	121,102,365

Ayman Abdullah Boodai
Chairman and Managing Director

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2013

		Six months ended 30 June	
	Notes	*2013* *KD*	*2012* *KD*
OPERATING ACTIVITIES			
Profit (loss) for the period from continuing operation		**403,726**	(1,793,950)
Profit for the period from discontinued operations		**717,816**	655,549
Adjustments for:			
Realised loss on sale of financial assets at fair value through profit or loss		**-**	56,543
Realised gain on sale of financial assets available for sale		**(350,763)**	-
Dividends and return on murabaha finances		**(148,237)**	(6,372)
Share in result of associates		**(724,351)**	(232,090)
Realised gain on sale of investment in an associate		**-**	(243,886)
Realised gain on sale of property, plant and equipment		**(3,600)**	-
Unrealised loss on financial assets at fair value through profit or loss		**247,641**	514,828
Impairment loss of financial assets available for sale		**168,731**	-
Unrealised gain on investment properties		**-**	(3,060)
Murabaha payables costs		**333,178**	1,708,889
Provision for employees' end of service benefits		**91,286**	121,504
Depreciation		**248,370**	169,558
		983,797	947,513
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		**(1,133,698)**	(1,142,073)
Inventories		**41,177**	(73,077)
Financial assets at fair value through profit or loss		**(23,312)**	127,638
Accounts payable and accruals		**317,822**	(68,348)
Cash from (used in) operations		**185,786**	(208,347)
Employees' end of service benefits paid		**(937)**	(896)
Net cash from (used in) operating activities		**184,849**	(209,243)
INVESTING ACTIVITIES			
Proceeds from sale of financial assets available for sale		**107,069**	170,461
Proceeds from sale of investment in an associate	6	**-**	10,275,148
Dividend received from an associate		**285,920**	416,078
Dividends and return on murabaha finances received		**148,237**	6,372
Proceeds from disposal of property, plant and equipment		**9,288**	-
Purchase of property, plant and equipment		**(156,277)**	(72,816)
Net cash from investing activities		**394,237**	10,795,243
FINANCING ACTIVITIES			
Payment to non-controlling interests on liquidation of a subsidiary		**(18,185)**	-
Dividends paid to non-controlling interests		**-**	(57,260)
Net repayment of murabaha payables		**(768,400)**	(10,175,000)
Net repayment from sale and deferred purchase agreements		**-**	(1,252,129)
Murabaha payables costs paid		**-**	(604,588)
Net cash used in financing activities		**(786,585)**	(12,088,977)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(207,499)**	(1,502,977)
Net foreign exchange difference		**162,139**	6,988
Cash and cash equivalents at 1 January		**7,896,886**	4,764,588
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	**7,851,526**	3,268,599

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2013

	Attributable to equity holders of the parent company											
	Share capital KD	*Cumulative changes in fair values KD*	*Foreign currency translation reserve KD*	*Employee share purchase plan reserve KD*	*Other reserve KD*	*Treasury shares reserve KD*	*Treasury shares KD*	*Cumulative changes in equity of associates KD*	*Accumulated losses KD*	*Sub total KD*	*Non-controlling interests KD*	*Total equity KD*
As at 1 January 2013	68,000,000	-	8,444	545,456	(255,897)	11,376,864	(19,867,108)	4,218,133	(8,269,174)	55,756,718	5,957,513	61,714,231
Profit for the period	-	-	-	-	-	-	-	-	765,907	765,907	355,635	1,121,542
Other comprehensive income (loss)	-	473,120	157,452	-	-	-	-	(3,235,806)	-	(2,605,234)	4,687	(2,600,547)
Total comprehensive income (loss) for the period	-	473,120	157,452	-	-	-	-	(3,235,806)	765,907	(1,839,327)	360,322	(1,479,005)
Non-controlling interests share in liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	(18,185)	(18,185)
As at 30 June 2013	**68,000,000**	**473,120**	**165,896**	**545,456**	**(255,897)**	**11,376,864**	**(19,867,108)**	**982,327**	**(7,503,267)**	**53,917,391**	**6,299,650**	**60,217,041**
As at 1 January 2012	68,000,000	-	(13,907)	545,456	-	11,376,864	(19,867,108)	577,846	(7,876,653)	52,742,498	497,949	53,240,447
(Loss) profit for the period	-	-	-	-	-	-	-	-	(1,165,040)	(1,165,040)	26,639	(1,138,401)
Other comprehensive (loss) income	-	(88,712)	6,856	-	-	-	-	682,328	-	600,472	-	600,472
Total comprehensive (loss) income for the period	-	(88,712)	6,856	-	-	-	-	682,328	(1,165,040)	(564,568)	26,639	(537,929)
Non-controlling interests share in capital reduction of a subsidiary	-	-	-	-	-	-	-	-	-	-	(57,260)	(57,260)
As at 30 June 2012	68,000,000	(88,712)	(7,051)	545,456	-	11,376,864	(19,867,108)	1,260,174	(9,041,693)	52,177,930	467,328	52,645,258

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

1 ACTIVITIES

The interim condensed consolidated financial information of The Securities House K.S.C. (Closed) (the "parent company") and subsidiaries (collectively the "group") were authorised for issue by the Board of Directors on 15 August 2013.

The parent company is a Kuwaiti shareholding company incorporated and registered in Kuwait on 28 March 1982 and is engaged in investment and trading in securities, investment in real estate, finance activities and in portfolio and fund management on behalf of third parties, under the Commercial Companies Law No. 15 of 1960 and amendments thereto and is listed on the Kuwait Stock Exchange. The Company is registered with the Central Bank of Kuwait ("CBK") as an investment company and is subject to the supervision of CMA.

The parent company's principal place of business and registered address is 17th floor, Al-Dhow Tower, Khalid Ibn Al-Waleed Street, Sharq, P.O.Box 26972 Safat, 13130, Kuwait.

The Companies Law issued on 26 November 2012 by Decree Law No. 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law No. 97 of 2013 (the Decree).

According to article 2 and 3 of the Decree, Executive Regulations which shall be issued by the Minister of Industry and Commerce by 26 September 2013 will determine the basis and rules which the Parent Company shall adopt to regularise its affairs with the Companies Law as amended.

The Annual General Assembly for the year ended 31 December 2012 has not been held until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2012 have not yet been approved. The interim condensed consolidated financial information for the six months period ended 30 June 2013 do not include any adjustments, which might have been required, had the Annual General Assembly approved the consolidated financial statements for the year ended 31 December 2012.

2 FUNDAMENTAL ACCOUNTING CONCEPT

For the six months ended 30 June 2013, the group's current liabilities exceed its current assets by KD 46,139,842 (31 December 2012: KD 48,260,628 and 30 June 2012: KD 38,356,779). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. However, the interim condensed consolidated financial information has been prepared on a going concern basis because the group has been able to extend the settlement of its current liabilities or swap certain of its liabilities with financial assets. The management of the group is of the opinion that the group will continue with the same strategy going forward.

3 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2013 has been prepared in accordance with International Accounting Standard ("IAS") 34: Interim Financial Reporting, except as noted below.

The annual consolidated financial statements for the year ended 31 December 2012 were prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all International Financial Reporting Standards ("IFRS") except for the IAS 39 requirement for a collective impairment provision, which has been replaced by the CBK's requirement for a minimum general provision.

3 BASIS OF PREPARATION (continued)

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with the regulations of the State of Kuwait for financial services institutions regulated by the CBK, and should be read in conjunction with the group's annual consolidated financial statements for the year ended 31 December 2012. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the six months ended 30 June 2013 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2013.

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

Changes in accounting policy and disclosures
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 for the year ended 31 December 2012, except for the adoption of the following new standards and interpretations effective as of 1 January 2013 and the corresponding changes to the policies on 'basis of consolidation' and 'non-current assets held for sale and discontinued operations'.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The adoption of this standard did not have any material impact on the interim condensed consolidated financial information of the group and the relevant disclosures will be made in the annual consolidated financial statements of the group.

IFRS 10 – Consolidated Financial Statements
IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements. It also addresses the issues raised in SIC-12 Consolidation - Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 13 – Fair Value measurement
IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements. The adoption of this standard resulted in additional disclosures to the interim condensed consolidated financial information of the group.

IAS 1 Financial Statement Presentation
The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The adoption of this standard has not resulted in presentation changes in interim condensed consolidated statement of income and interim condensed consolidated statement of other comprehensive income.

3 BASIS OF PREPARATION (continued)

Changes in accounting policy and disclosures (continued)

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

IAS 34: Interim financial reporting and segment information for total assets and liabilities (Amendment)
The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Group provides this disclosure as total segment assets were reported to the chief operating decision maker (CODM). The Group did not provide this disclosure for total segment liabilities as these were not materially different from those reported in the entity's previous annual consolidated financial statements.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2013 did not have any material impact on the accounting policies, financial position or performance of the Group.

Basis of consolidation
The accounting policy for basis of consolidation is consistent with that used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012 except that definition of control is now amended as stated below.

Control is achieved where the Group is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Non-current assets held for sale and discontinued operations
Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

4 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Basic and diluted earnings (loss) per share is computed by dividing profit (loss) attributable to equity holders of the parent company by the weighted average number of shares (net of treasury shares) outstanding during the period as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2013	*2012*	***2013***	*2012*
	KD	*KD*	***KD***	*KD*
Profit (loss) for the period attributable to the equity holders of the parent company	**338,950**	(465,712)	**765,907**	(1,165,040)
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of shares (net of treasury shares) outstanding for the period	**637,720,000**	637,720,000	**637,720,000**	637,720,000
Basic and diluted earnings (loss) per share attributable to equity holders of the parent company	**0.5 fils**	(0.7) fils	**1.2 fils**	(1.8) fils

4 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (continued)

Basic and diluted earnings (loss) per share from continuing operations

	Three months ended 30 June		*Six months ended 30 June*	
	2013	*2012*	***2013***	*2012*
	KD	*KD*	***KD***	*KD*
Profit (loss) for the period attributable to the equity holders of the parent company	**(30,266)**	(792,890)	**85,512**	(1,820,589)
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of shares (net of treasury shares) outstanding for the period	**637,720,000**	637,720,000	**637,720,000**	637,720,000
Basic and diluted earnings (loss) per share attributable to equity holders of the parent company	**(0.04) fils**	(1.2) fils	**0.1 fils**	(2.9) fils

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as shown in the interim condensed consolidated statement of cash flows are reconciled to the related items in the interim condensed consolidated statement of financial position as follows:

	30 June 2013	*(Audited) 31 December 2012*	*30 June 2012*
	KD	*KD*	*KD*
Bank balances and cash	**2,259,419**	5,139,203	1,234,171
Short-term murabaha investments with original maturity up to three months	**3,918,243**	1,243,077	1,343,176
	6,177,662	6,382,280	2,577,347
Add: discontinued operations (Note 7)	**1,673,864**	1,514,606	691,252
	7,851,526	7,896,886	3,268,599

6 INVESTMENT IN ASSOCIATES

	30 June 2013 KD	*(Audited) 31 December 2012 KD*	*30 June 2012 KD*
As at 1 January	**90,504,323**	95,605,974	95,605,974
Acquisitions	-	2,704,032	-
Disposals	-	(10,031,394)	(10,031,394)
Share of results	**724,351**	(432,279)	232,090
Share of other comprehensive income	**(3,235,806)**	3,640,287	682,328
Dividend received	**(285,920)**	(269,239)	(416,078)
Elimination of downstream transaction	-	(549,402)	-
Amortisation of intangible assets	-	(163,656)	-
	87,706,948	90,504,323	86,072,920

During the previous period, in the group's efforts to reduce its debts and increase shareholders' value, the parent company sold equity interest in Gatehouse Bank's shares to its creditors against settlement of certain outstanding murabaha payables amounting to KD 9,675,000 and accrued murabaha profit amounting to KD 600,148. Accordingly, the group recognised a gain amounting to KD 243,886 in the interim condensed consolidated statement of income.

7 DISCONTINUED OPERATIONS

During the second quarter of 2013, the group signed a binding proposal with the investor for selling the entire Group's share representing about 95% in New Technology Bottling Company K.S.C. (Closed) ("Abraj Company") (a subsidiary) for KD 14.5 million. This transaction will result in a profit of about KD 8.5 million. Upon final completion of such transaction, the financial effect thereof shall be included in the consolidated financial statements of the Group which requires certain procedures related to the transfer of legal title between the parties to the transaction and other agreed procedures.

As a result, the New Technology Bottling Company K.S.C. (Closed) has been classified a disposal group held for sale and has been disclosed as a discontinued operation in accordance with the IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The results of New Technology Bottling Company K.S.C. (Closed) for the period are as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2013 KD	*2012 KD*	*2013 KD*	*2012 KD*
Sales of goods and services	**2,097,416**	1,785,983	**4,035,741**	3,386,290
Cost of sales	**(1,032,140)**	(965,846)	**(2,023,453)**	(1,718,584)
Gross profit	**1,065,276**	820,137	**2,012,288**	1,667,706
Staff costs	**(120,433)**	(122,140)	**(232,159)**	(221,269)
Selling and distribution expenses	**(288,247)**	(286,375)	**(555,937)**	(519,022)
General and administrative expenses	**(145,762)**	(122,425)	**(283,635)**	(228,464)
Depreciation	**(114,299)**	20,904	**(230,249)**	(71,251)
Other income	**5,258**	17,077	**33,594**	27,849
Murabaha payable cost	**(12,270)**	-	**(26,086)**	-
Profit from discontinued operations	**389,523**	327,178	**717,816**	655,549

7 DISCONTINUED OPERATIONS (continued)

The assets and liabilities of NTBC classified as held for sale are as follows:

	30 June 2013 KD	*31 December 2012 KD*	*30 June 2012 KD*
Assets			
Bank balances and cash (Note 5)	**1,673,864**	1,514,606	691,252
Accounts receivable and prepayments	**1,994,366**	1,606,130	2,059,203
Inventories	**1,460,238**	1,421,864	1,180,901
Property, plant and equipment	**2,824,305**	2,967,761	1,565,934
Assets classified as held for sale	**7,952,773**	7,510,361	5,497,290
Liabilities			
Murabaha payables	**650,286**	863,540	-
Accounts payable and accruals	**1,130,437**	1,235,751	1,176,367
Employees' end of service benefits	**443,167**	400,002	369,826
Liabilities directly associated with the assets classified as held for sale	**2,223,890**	2,499,293	1,546,193
Net assets directly associated with disposal group	**5,728,883**	5,011,068	3,951,097

8 TREASURY SHARES

	30 June 2013	*(Audited) 31 December 2012*	*30 June 2012*
Number of treasury shares	**42,280,000**	42,280,000	42,280,000
Percentage of capital	**6.2%**	6.2%	6.2%
Market value KD*	**4,228,000**	2,092,860	5,496,400

* On 01 April 2013, the shares of the parent company were suspended from trading in Kuwait Stock Exchange. Accordingly, the market value of the treasury shares was determined using the last transaction price.

9 MURABAHA PAYABLES

	30 June 2013 KD	*(Audited) 31 December 2012 KD*	*30 June 2012 KD*
Maturity within 1 year	**44,977,808**	45,532,954	45,472,225
Maturity after 1 year	**6,075,000**	6,075,000	6,075,000
	51,052,808	51,607,954	51,547,225

9 MURABAHA PAYABLES (continued)

Murabaha payables represent the value of assets purchased on a deferred settlement basis.

Murabaha payables amounting to KD 43,352,021 (31 December 2012: KD 43,352,021 and 30 June 2012: KD 42,317,128) are secured against financial assets at fair value through profit or loss and financial assets available for sale amounting to KD 1,905,701 and KD 742,958 (31 December 2012: KD 1,909,473 and KD 911,689 and 30 June 2012: KD 2,099,202 and KD 548,260) respectively.

During the previous year, one of the major murabaha creditor (the "plaintiff") has filed four legal cases against the parent company (the "defendant") claiming the settlement of due certain murabaha payables amounting to KD 43,352,021. Until the date of approval of this interim condensed consolidated financial information, the final court decision on the abovementioned legal cases is still pending as follows:

- Two legal cases relating to the due murabaha payables of KD 3,775,889 and KD 4,239,342 were transferred on 10 January 2013 and 19 February 2013, respectively, to the Experts Department at the Ministry of Justice for final hearing.

- The final hearing date related to the legal case pertaining to the due murabaha payable of KD 99,360 was postponed from 27 March 2013 to 19 June 2013.

- With respect of the four legal cases, related to the due murabaha payable of KD 35,237,430, the first instance court decision came in favour of the plaintiff on 13 December 2012 obligating the parent company to settle the due balance in addition to an amount of KD 50 for legal charges. On 13 February 2013, the parent company filed an appeal against this decision. On 24 April 2013, the court decision came supporting the first instance decision in favour of the plaintiff. The management filed an appeal against the ruling before the cassation court and suspended the related ruling.

Therefore, with respect to the expected results of those lawsuits, the legal counsellor of the parent company is of the opinion that all the lawsuits filed by the plaintiff, tends to be referred to the Experts Department at the Ministry of Justice to discuss many aspects of the appeal submitted by the parent company to the court, some of which are legal while others are regulatory. Although final results of this dispute cannot be reliably guaranteed and that all results are possible, it is expected that the litigation will continue between the two parties for a relatively long period, not less than three years.

Based on the foregoing, as the value of the abovementioned claims filed against the parent company is recorded originally in the books of the parent company within murabaha payables, the parent company need not to record any provisions or recognise any additional potential liabilities in the interim condensed consolidated financial information as a result of these lawsuits.

10 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and executive officers of the parent company, close members of their families and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Related party transactions and balances consist of the following:

	Other related parties	
	Six months ended 30 June	
	2013	*2012*
	KD	*KD*
Interim condensed consolidated statement of income:		
Management fee income	**62,745**	109,135
Investment services income	**-**	14,939

	30 June 2013	*(Audited) 31 December 2012*	*30 June 2012*
	KD	*KD*	*KD*
Interim condensed consolidated statement of financial position:			
Accounts receivable and prepayments	**33,574**	-	111,510
Murabaha payables	**6,075,000**	6,075,000	6,075,000

	Six months ended 30 June	
	2013	*2012*
	KD	*KD*
Key management compensation:		
Salaries and other short term benefits	**350,636**	354,694
Employees' end of services and share purchase plan benefits	**54,738**	63,711
	405,374	418,405

Assets amounting to KD 2,021,140 (31 December 2012: KD 2,021,140 and 30 June 2012: KD 2,040,572) are being managed on behalf of related parties.

11 COMMITMENTS

As at 30 June 2013, the group's bankers have given bank guarantees amounting to KD 70,453 (31 December 2012: KD 289,953 and 30 June 2012: KD 289,953).

12 SEGMENTAL ANALYSIS

For management purposes the group is organised into three major business segments:

Proprietary investment management	: Investing of group funds in securities and real estate, financing corporate and individual customers, and managing the group's liquidity requirements.
Asset management and advisory services	: Discretionary and non-discretionary investment portfolio management, managing of local and international investment funds and providing advisory and structured finance services and other related investment services.
Commercial trading activities	: Selling and distribution of manufactured and imported goods and services.

The following table presents information regarding the group's business segment:

	Proprietary investment management		*Asset management and advisory services*		*Commercial trading activities*		*Total*	
	Six months ended 30 June		*Six months ended 30 June*		*Six months ended 30 June*		*Six months ended 30 June*	
	2013	*2012*	***2013***	*2012*	***2013***	*2012*	***2013***	*2012*
	KD	*KD*	***KD***	*KD*	***KD***	*KD*	***KD***	*KD*
Segment revenue (loss)	**203,760**	(324,557)	**676,575**	748,976	**6,442,554**	5,254,274	**7,322,889**	5,678,693
Segment results	**(106,878)**	(737,067)	**86,708**	318,765	**879,288**	737,437	**859,118**	319,135
Unallocated expenses							**(484,384)**	(7,376)
Share of results of associates							**724,351**	232,090
Murabaha payable costs							**(333,178)**	(1,708,889)
Profit (loss) attributable to equity holders of the parent company							**765,907**	(1,165,040)