

**THE SECURITIES HOUSE K.S.C.P. AND
SUBSIDIARIES**

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2015

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**The Securities House K.S.C.P.
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INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of The Securities House K.S.C.P (the Parent Company) and its subsidiaries (together called "the Group") as at 30 September 2015 and the related interim condensed consolidated statements of income and comprehensive income for three-month and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended. Management 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 basis of presentation set out in Note 2.

Other Matter

The audit of the consolidated financial statements of the Group for the year ended 31 December 2014 and the review of the interim condensed consolidated financial information for the three-month period ended 31 March 2015 were performed by another joint auditor, who expressed an unmodified audit opinion on those financial statements on 1 April 2015 and an unmodified review conclusion on those interim condensed consolidated financial information on 13 May 2015 respectively.

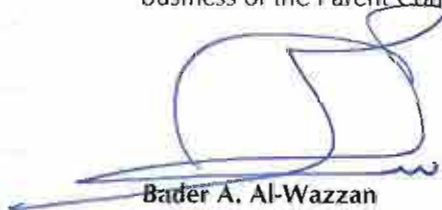
**The Securities House K.S.C.P.
Kuwait**

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS (Continued)

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the accompanying interim condensed 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 and its Executive Regulations or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine-month period ended 30 September 2015 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 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, and its related regulations, and the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, except as disclosed in Note 7, during the nine-month period ended 30 September 2015 that might have had a material effect on the business of the Parent Company or on its financial position.



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Kuwait
8 November 2015

Interim Condensed Consolidated Statement of Income (Unaudited)
For the period ended 30 September 2015

	Notes	Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
Continuing operations					
INCOME (LOSS)					
<i>From investment activities</i>					
Realised gain on sale of financial assets at fair value through income statement		-	-	10,571	16,266
Realised gain (loss) on sale of financial assets available for sale		140,551	(38,636)	320,501	(23,430)
Dividend income		-	-	4,786	16,942
Realised loss on sale of investment in associates		-	-	(901,268)	-
Unrealised (loss) gain on financial assets at fair value through income statement		(538,314)	35,051	(1,251,361)	(92,072)
(Impairment) reversal loss on financial assets available for sale		(305,576)	25,410	(960,078)	(179,455)
Management fee income		7,613	7,125	23,351	5,628
Total (loss) income from investment activities		(695,726)	28,950	(2,753,498)	(256,121)
Other (loss) income		(39,014)	(4,729)	103,605	(1,854)
TOTAL (LOSS) INCOME FROM CONTINUING OPERATIONS		(734,740)	24,221	(2,649,893)	(257,975)
EXPENSES					
Staff costs		73,361	70,922	767,024	223,133
General and administration expenses		105,480	130,562	307,002	490,999
TOTAL EXPENSES FROM CONTINUING OPERATIONS		178,841	201,484	1,074,026	714,132
LOSS BEFORE SHARE OF RESULTS, IMPAIRMENT, MURABAHA PAYABLE COSTS AND TAXATION		(913,581)	(177,263)	(3,723,919)	(972,107)
Share of results of associates	6	(299,521)	2,279,405	(3,576)	2,854,140
Impairment loss on investment in associates	6	-	-	(3,830,110)	-
Murabaha payable costs		-	(35,057)	(296,755)	(207,764)
National Labour Support Tax		26,606	(50,665)	(73,221)	(54,271)
Zakat		10,705	(20,255)	(29,194)	(21,779)
(LOSS) PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		(1,175,791)	1,996,165	(7,956,775)	1,598,219
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	3	-	2,256,549	11,169,447	3,331,517
(LOSS) PROFIT FOR THE PERIOD		(1,175,791)	4,252,714	3,212,672	4,929,736
Attributable to:					
Equity holders of the Parent Company		(1,174,105)	3,468,236	3,200,082	4,022,627
Non-controlling interests		(1,686)	784,478	12,590	907,109
		(1,175,791)	4,252,714	3,212,672	4,929,736
Basic and diluted (loss) earnings per share attributable to equity holders of the Parent Company	4	(1.8) fils	5.4 fils	5.0 fils	6.3 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 September 2015

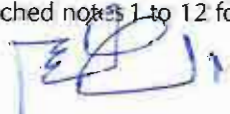
	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Note				
(Loss) profit for the period	(1,175,791)	4,252,714	3,212,672	4,929,736
Other comprehensive (loss) income:				
<i>Other comprehensive income to be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>				
Foreign currency translation adjustment	(1,914,802)	(1,717,904)	(756,678)	468,300
Share of other comprehensive (loss) income of associates	6 (457,369)	185,997	(794,998)	(129,034)
Reclassified to income statement on sale of investment in associates	-	-	(228,413)	-
Other comprehensive (loss) income for the period	(2,372,171)	(1,531,907)	(1,780,089)	339,266
Total comprehensive (loss) income for the period	(3,547,962)	2,720,807	1,432,583	5,269,002
Attributable to:				
Equity holders of the Parent Company	(3,546,289)	1,891,225	1,418,860	4,318,678
Non-controlling interests	(1,673)	829,582	13,723	950,324
	(3,547,962)	2,720,807	1,432,583	5,269,002

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

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 30 September 2015

	Notes	Kuwaiti Dinars		
		Unaudited	(Audited)	Unaudited
		30 September 2015	31 December 2014	30 September 2014
ASSETS				
Bank balances and cash	5	1,916,315	1,262,439	6,549,149
Short-term murabaha investments	5	5,848,504	203,906	677,113
Accounts receivable and prepayments		2,837,513	855,304	4,591,052
Inventories		-	-	3,054,061
Financial assets at fair value through income statement		2,401,596	4,094,840	4,554,928
Financial assets available for sale		860,828	1,820,906	3,699,419
Investment in associates	6	67,405,490	78,699,041	88,735,642
Investment properties		-	-	698,974
Property, plant and equipment		-	-	4,209,639
Assets held for sale/ associated with discontinued operations	3	-	23,435,726	-
TOTAL ASSETS		81,270,246	110,372,162	116,769,977
EQUITY				
Share capital		68,000,000	68,000,000	68,000,000
Foreign currency translation reserve		2,589,618	3,496,334	5,002,266
Employee share purchase plan reserve		-	545,456	545,456
Other reserve		-	-	(255,897)
Treasury shares reserve	7	10,561,526	11,267,842	11,376,864
Treasury shares	7	(18,913,231)	(19,735,539)	(19,867,108)
Cumulative changes in equity of associates		(681,387)	193,119	228,472
Accumulated losses		(6,090,743)	(9,836,281)	(8,845,273)
Equity attributable to equity holders of the Parent Company		55,465,783	53,930,931	56,184,780
Non-controlling interests		195,090	181,367	6,520,025
Non-controlling interests associated with assets held for sale/ discontinued operations	3	-	4,970,544	-
TOTAL EQUITY		55,660,873	59,082,842	62,704,805
LIABILITIES				
Murabaha payables	8	23,285,495	44,582,579	47,570,923
Accounts payable and accruals		2,304,312	2,651,718	5,367,793
Employees' end of service benefits		19,566	14,914	1,126,456
Liabilities associated with assets held for sale/discontinued operations	3	-	4,040,109	-
TOTAL LIABILITIES		25,609,373	51,289,320	54,065,172
TOTAL EQUITY AND LIABILITIES		81,270,246	110,372,162	116,769,977

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


Ibrahim Youssef Al Ghanim
Chairman

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the period ended 30 September 2015

	Notes	Kuwaiti Dinars	
		Nine months ended 30 September	
		2015	2014
OPERATING ACTIVITIES			
(Loss) profit for the period from continuing operations		(7,956,775)	1,598,219
Profit for the period from discontinued operations		11,169,447	3,331,517
Adjustments for:			
Realised gain on sale of financial assets at fair value through income statement		(10,571)	(16,266)
Realised (gain) loss on sale of financial assets available for sale		(320,501)	23,430
Dividend income		(4,786)	(16,942)
Realised loss on sale of investment in associates		901,268	-
Realised gain on sale of investment in subsidiaries	3	(11,169,447)	-
Share in results of in associates	6	3,576	(2,854,140)
Unrealised loss on financial assets at fair value through income statement		1,251,361	92,072
Impairment loss of financial assets available for sale		960,078	179,455
Impairment of value of associates	6	3,830,110	-
Depreciation		-	497
Provision for employees' end of service benefits		11,673	3,892
Murabaha payables costs		296,755	207,764
		(1,037,812)	2,549,498
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(2,001,134)	(342,225)
Inventories		-	(7,500)
Financial assets at fair value through income statement		452,454	314,266
Accounts payable and accruals		(431,918)	(86,366)
Cash (used in)/ from operations		(3,018,410)	2,427,673
Employees' end of service benefits paid		(7,021)	(2,588)
Net operating cash flows associated with discontinued operations		-	(454,308)
Net cash flows (used in)/ from operating activities		(3,025,431)	1,970,777
INVESTING ACTIVITIES			
Proceeds from sale of financial assets available for sale		320,501	440,678
Proceeds from sale of investment in associates		3,625,896	125,000
Proceeds from sale of a subsidiary	3	8,219,577	-
Dividend income received		4,786	16,942
Dividends received from an associate	6	400,000	-
Proceeds from sale of property, plant and equipment		-	593,500
Net investing cash flows associated with discontinued operations		-	1,003,441
Net cash flows from investing activities		12,570,760	2,179,561
FINANCING ACTIVITIES			
Sale of treasury shares		115,992	-
Repayment of murabaha payables		(3,067,225)	(1,300,000)
Murabaha payables costs paid		(296,755)	(175,644)
Net financing cash flows associated with discontinued operations		-	(873,953)
Net cash flows used in financing activities		(3,247,988)	(2,349,597)
INCREASE IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference		6,297,341	1,800,741
Cash and cash equivalents at 1 January		1,133	104,338
		1,466,345	5,321,183
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	5	7,764,819	7,226,262

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

The Securities House K.S.C.P. and Subsidiaries
Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the period ended 30 September 2015

	Kuwaiti Dinars										Total equity	
	Attributable to equity holders of the Parent Company											
	Share capital	Foreign currency translation reserve	Employee share purchase plan reserve	Other reserve	Treasury shares reserve	Treasury shares	Cumulative changes in equity of associates	Accumulated losses	Sub total	Non-controlling interests	Non-controlling interests associated with discontinued operations	
As at 1 January 2015 (Audited)	68,000,000	3,496,334	545,456	-	11,267,842	(19,735,539)	193,119	(9,836,281)	53,930,931	181,367	4,970,544	59,082,842
Profit for the period	-	-	-	-	-	-	-	3,200,082	3,200,082	12,590	-	3,212,672
Other comprehensive (loss)/ income	-	(906,716)	-	-	-	-	(874,506)	-	(1,781,222)	1,133	-	(1,780,089)
Total comprehensive (loss)/ income for the period	-	(906,716)	-	-	-	-	(874,506)	3,200,082	1,418,860	13,723	-	1,432,583
Reclassification of a reserve	-	-	(545,456)	-	-	-	-	545,456	-	-	-	-
Sale of treasury shares	-	-	-	-	(706,316)	822,308	-	-	115,992	-	-	115,992
Non-controlling interest on sale of subsidiaries (Note 3)	-	-	-	-	-	-	-	-	-	-	(4,970,544)	(4,970,544)
As at 30 September 2015	68,000,000	2,589,618	-	-	10,561,526	(18,913,231)	(681,387)	(6,090,743)	55,465,783	195,090	-	55,660,873
As at 1 January 2014 (Audited)	68,000,000	4,577,181	545,456	(255,897)	11,376,864	(19,867,108)	357,506	(12,867,900)	51,866,102	6,078,804	-	57,944,906
Profit for the period	-	-	-	-	-	-	-	4,022,627	4,022,627	907,109	-	4,929,736
Other comprehensive Income/(loss)	-	425,085	-	-	-	-	(129,034)	-	296,051	43,215	-	339,266
Total comprehensive Income/(loss) for the period	-	425,085	-	-	-	-	(129,034)	4,022,627	4,318,678	950,324	-	5,269,002
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(509,103)	-	(509,103)
As at 30 September 2014	68,000,000	5,002,266	545,456	(255,897)	11,376,864	(19,867,108)	228,472	(8,845,273)	56,184,780	6,520,025	-	62,704,805

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

1. CORPORATE INFORMATION AND ACTIVITIES

The interim condensed consolidated financial information of The Securities House K.S.C.P. (the "Parent Company") and subsidiaries (collectively the "Group") were authorised for issue by the Board of Directors on 8 November 2015.

The Parent Company is a Kuwaiti public shareholding company incorporated and registered in Kuwait on 28 March 1982 and is engaged in dealing and brokerage in securities for itself or its clients, underwriting and sale of securities issued by third parties, performing investment trustee and monitor activities, providing financial advisory, studies and research services, establishing companies and financial, real estate, industrial and multipurpose investment funds, fund management on behalf of third parties, investment in real estate and other economic sectors, finance activities and mediation in borrowing and international trade activities. The Parent Company performs all of its activities in accordance with Islamic Shariah principles and is regulated by the Central Bank of Kuwait (CBK) and the Capital Markets Authority (CMA) as an investment company.

The Parent Company's Extraordinary General Assembly of the shareholders held on 24 September 2014 approved the change of the Parent Company's Memorandum and Articles of Association and its Bylaws to conform with the Commercial Companies Law No. 25 of 2012.

The Parent Company's principal place of business and registered address is 18th floor, Al-Dhow Tower, Khalid Ibn Al-Waleed Street, Sharq, P.O.Box 26972 Safat, 13130, Kuwait.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the nine months ended 30 September 2015 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 2014 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.

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 2014. 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 nine months ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

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 2014. Amendments to IFRSs, which are effective for annual accounting period starting from 1 January 2015, did not have any material impact on the accounting policies, financial position or performance of the Group.

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

Standards issued but not effective

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued by IASB on 28 May 2014 is effective for annual periods beginning on or after 1 January 2018. IFRS 15 supersedes IAS 11 – Construction Contracts and IAS 18 – Revenue along with related IFRIC 13, IFRIC 18 and SIC 31 from the effective date. This new standard would remove inconsistencies and weaknesses in previous revenue recognition requirements, provide a more robust framework for addressing revenue issues and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The Group is in the process of evaluating the effect and do not expect any significant impact on adoption of this Standard.

3. DISCONTINUED OPERATIONS

- (a) During the previous year, the Parent Company entered into a legally binding settlement agreement with its major creditor to settle murabaha payables amounting to KD 42,917,494 in exchange for cash payment and the sale of specific assets including interests in subsidiaries to the creditor (Note 8). With effect from the date of signing the agreement, these subsidiaries were classified as held for sale. During the period ended 30 June 2015 and according to the agreement, the Parent Company de-recognised its entire equity interest in the following subsidiaries:
- New Technology Bottling Company K.S.C. (Closed), and
 - Kuwait Boxes Carton Manufacturing Company K.S.C. (Closed).
- (b) During the previous year, the Parent Company signed an agreement with Gatehouse Bank plc ("Gatehouse Bank") (an associate), to sell its entire interest in its subsidiary, Gatehouse Capital - Economic and Financial Consultancy K.S.C. (Closed) ("Gatehouse Capital") amounting to 58.0% of the total issued share capital of Gatehouse Capital to Gatehouse Bank over two phases, the first is 13.4% of the total issued share capital which was completed during 2014, and the second is 44.6% of the total issued share capital to be completed during 2015. As a result, the Group's ownership percentage in Gatehouse Capital decreased from to 58.0% to 44.6% as at 31 December 2014 and ceased to have control over the its operations in accordance with IFRS 10: "Consolidated Financial Statements". With effect from the date of loss of control, the retained investment in Gatehouse Capital was classified as held for sale. During the period ended 30 June 2015, the Parent Company completed the second phase and de-recognised its entire equity interest in Gatehouse Capital.

The results of the disposed and classified as assets held for sale subsidiaries are as presented below:

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Revenues	-	3,767,088	-	11,140,004
Operating costs	-	(2,495,650)	-	(7,476,012)
Gross profit	-	1,271,438	-	3,663,992
Realised and unrealised gain on investments	-	111,011	-	117,491
Dividend income	-	22,391	-	91,419
Investment services income	-	1,927,011	-	2,557,746
Share of results of an associate (Note 6)	-	346,287	-	635,929
Amortisation of intangibles	-	(24,081)	-	(63,633)
Other income	-	86,526	-	140,594
Staff costs	-	(714,033)	-	(1,675,646)
Selling and distribution expenses	-	(388,211)	-	(1,119,423)
General and administrative expenses	-	(375,798)	-	(996,360)
Murabaha payable cost	-	(5,992)	-	(20,592)
Profit for the period from discontinued operations	-	2,256,549	-	3,331,517
Gain on disposal of discontinued operations	-	-	11,169,447	-
Profit for the period from discontinued operations	-	2,256,549	11,169,447	3,331,517
Attributable to:				
Equity holders of the Parent Company (Note 4)	-	1,467,077	11,169,447	2,409,504
Non-controlling interests	-	789,472	-	922,013
Profit for the period from discontinued operations	-	2,256,549	11,169,447	3,331,517
Basic and diluted earnings per share from discontinued operations attributable to the equity holders of the Parent Company	-	2.3 fils	17.5 fils	3.8 fils

The net cash flows attributable to discontinued operations as of the date of sale are shown in the statement of cash flows.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2015

The net assets of the subsidiary companies on the date of disposal and classification as assets held for sale were as follows:

	Kuwaiti Dinars	
	30 September 2015	(Audited) 31 December 2014
	Disposed off and classified as held for sale	Classified as held for sale
Assets		
Bank balances and cash	4,415,303	4,415,303
Accounts receivable and prepayments	3,823,463	3,720,026
Inventories	3,054,061	3,054,061
Financial assets at fair value through income statement	45,624	45,624
Financial assets available for sale	2,616,283	2,616,283
Investment in associates	4,849,919	4,849,919
Investments properties	537,371	537,371
Property, plant and equipment	4,197,139	4,197,139
Total assets	23,539,163	23,435,726
Liabilities		
Murabaha payable	153,429	153,429
Accounts payable and accruals	2,882,462	2,882,462
Employees' end of service benefits	1,004,218	1,004,218
Total liabilities	4,040,109	4,040,109
Non-controlling interests	4,970,544	4,970,544
Net assets disposed off or classified as held for sale	14,528,510	14,425,073
Total consideration	26,449,436	
Realised gain before elimination of gain on downstream transaction	11,920,926	
Eliminated gain	(751,479)	
Realised gain on sale attributable to the equity holders of the Parent Company	11,169,447	
Net cash flows from transaction:		
	Kuwaiti Dinars	
Total consideration	26,449,436	
Less: non-cash consideration (Note 8)	(18,229,859)	
Net cash consideration received on sale	8,219,577	

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2015

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

Basic and diluted (loss) earnings per share is computed by dividing (loss) profit 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:

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
(Loss) profit for the period attributable to The equity holders of the Parent Company	(1,174,105)	3,468,236	3,200,082	4,022,627
	Shares			
Weighted average number of ordinary shares outstanding during the period (shares)	639,152,687	637,720,000	638,894,247	637,720,000
Basic and diluted (loss) earnings per share attributable to equity holders of the Parent Company	(1.8) fils	5.4 fils	5.0 fils	6.3 fils
	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2015	2014	2015	2014
Basic and diluted (loss) profit per share from continuing operations				
(Loss) profit for the period attributable to equity holders of the Parent company	(1,174,105)	3,468,236	3,200,082	4,022,627
<u>Less:</u>				
Profit for the period from discontinued operations attributable to the equity holders of the Parent Company (Note 3)	-	1,467,077	11,169,447	2,409,504
(Loss) profit for the period attributable to the equity holders of the Parent Company from continuing operations	(1,174,105)	2,001,159	(7,969,365)	1,613,123
Weighted average number of ordinary shares outstanding during the period (shares)	639,152,687	637,720,000	638,894,247	637,720,000
Basic and diluted (loss) profit from continuing operations per share attributable to the equity holders of the Parent Company	(1.8) fils	3.1 fils	(12.5) fils	2.5 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:

	Kuwaiti Dinars		
	Unaudited	(Audited)	Unaudited
	30 September 2015	31 December 2014	30 September 2014
Bank balances and cash	1,916,315	1,262,439	6,549,149
Short-term murabaha investments with original maturity up to three months	5,848,504	203,906	677,113
	7,764,819	1,466,345	7,226,262

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2015

6. INVESTMENT IN ASSOCIATES

	Kuwaiti Dinars		
	Unaudited	(Audited)	Unaudited
	30 September 2015	31 December 2014	30 September 2014
At the beginning of the period/year	78,699,041	85,708,799	85,708,799
Acquisitions	-	1,345,105	-
Disposals	(4,755,577)	(8,736,581)	(125,000)
Share of results	(3,576)	2,508,163	2,854,140
Share of results related to discontinued operations (Note 3)	-	635,929	635,929
Share of other comprehensive income	(794,998)	(164,387)	(129,034)
Foreign currency translation adjustment	(757,811)	(1,036,335)	363,963
Dividend received	(400,000)	(509,522)	(509,522)
Elimination of gain on downstream transaction	(751,479)	(238,497)	-
Amortisation of intangible assets	-	(63,633)	(63,633)
Impairment	(3,830,110)	(750,000)	-
At the end of the period/year	67,405,490	78,699,041	88,735,642

During the period ended 30 June 2015, the Group recognised an impairment loss on its investment in associates amounting to KD 3,830,110 (31 December 2014: KD 750,000 and 30 September 2014: Nil).

The share of loss for nine-month period ended 30 September 2015 includes a three-month loss to 30 September 2015 of an associate of KD 158,597 (30 September 2014: gain of KD 765,747) is based on its management accounts.

7. TREASURY SHARES

	Kuwaiti Dinars		
	Unaudited	(Audited)	Unaudited
	30 September 2015	31 December 2014	30 September 2014
Number of treasury shares	40,250,000	42,000,000	42,280,000
Percentage of capital	5.9%	6.2%	6.2%
Market value – Kuwaiti Dinars	1,932,000	3,192,000	4,016,600

Treasury shares are not pledged and are freely held by the Parent Company.

	Kuwaiti Dinars		
	Unaudited	(Audited)	Unaudited
	30 September 2015	31 December 2014	30 September 2014
Available reserves earmarked as non-distributable	10,561,526	11,267,842	11,376,864
Cost	18,913,231	19,735,539	19,867,108
Shortfall	(8,351,705)	(8,467,697)	(8,490,244)

Under the Companies Law 25 of 2012 and CMA regulations, the Parent Company is required to maintain reserves equivalent to the cost of purchased treasury shares. Due to operating losses in previous years, adequate reserves for this purpose are currently not available. To rectify this, the Board of Directors intends to recommend to the shareholders of the Parent Company at their Extraordinary General Meeting, the cancellation of all or part of the treasury shares in accordance with Companies Law No. 25 of 2012 and the regulations of the CMA in that regard.

8. MURABAHA PAYABLES

	Kuwaiti Dinars		
	Unaudited	(Audited)	Unaudited
	30 September 2015	31 December 2014	30 September 2014
Maturity within 1 year	23,285,495	44,582,579	43,970,923
Maturity after 1 year	-	-	3,600,000
	23,285,495	44,582,579	47,570,923

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2015

Murabaha payables represent the value of assets purchased on a deferred settlement basis. Murabaha payables amounting to KD 23,285,495 (31 December 2014: KD 42,332,579 and 30 September 2014: KD 42,917,494) are secured against receivable balances, financial assets at fair value through income statement, financial assets available for sale and investment in an associate totalling KD 8,931,058 (31 December 2014: assets totalling KD 9,415,810 and 30 September 2014: assets totalling KD 10,041,802) respectively.

In November 2014, the Parent Company entered into two legally binding agreements with its major creditor. The first is a debt settlement agreement to settle murabaha payables amounting to KD 42,917,494 in exchange for cash payment and the sale of specific financial assets at fair value through income statement, interests in associates and subsidiaries to the creditor. The second is a reconciliation agreement to cease the legal cases filed by the major creditor against the Parent company in previous years. During 2014, murabaha payable balances of KD 584,915 were settled in exchange for cash and specific assets. During the period ended 30 June 2015, the Parent Company settled murabaha payable balances of KD 19,047,084 by transfer of investments in subsidiaries of KD 18,229,859 (Note 3) and sale of an investment in associate of KD 817,225. The Parent Company expects to settle the remaining murabaha payable balances of KD 23,285,495 in accordance with the debt settlement agreement during the last quarter of 2015.

9. 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:

	Kuwaiti Dinars	
	Nine months ended	
	30 September	
	2015	2014
Interim condensed consolidated statement of income:		
Murabaha payable costs	66,945	207,764

	Kuwaiti Dinars		
	Unaudited	(Audited)	Unaudited
	30 September	31 December	30 September
	2015	2014	2014
Interim condensed consolidated statement of financial position:			
Bank balances	1,605,358	93,392	-
Short-term murabaha investments	5,848,504	203,906	677,113
Murabaha payable	-	2,250,000	4,500,000

	Kuwaiti Dinars	
	Nine months ended	
	30 September	
	2015	2014
Key management compensation:		
Salaries and other short term benefits	600,318	592,919
Employees' end of services and share purchase plan benefits	1,570	43,407
	601,888	636,326

Assets amounting to KD 2,416,206 (31 December 2014: KD 2,385,889 and 30 September 2014: KD 2,385,889) are being managed on behalf of related parties.

10. COMMITMENTS

As at 30 September 2015, the Group's bankers have given bank guarantees amounting to KD Nil (31 December 2014: KD Nil and 30 September 2014: KD 11,890).

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2015

11. SEGMENTAL ANALYSIS

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

Proprietary investment management : Investing of funds in securities and real estate, financing corporate and individual customers, and managing the Group's liquidity requirements.

Asset management and advisory : 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:

	Kuwaiti Dinars						
	Continuing operations			Discontinued operations			Total
	Proprietary investment	Asset management and advisory services	Total	Proprietary investment	Asset management and advisory services	Total	
	Nine months ended 30 September	Nine months ended 30 September	Nine months ended 30 September	Nine months ended 30 September	Nine months ended 30 September	Nine months ended 30 September	
	2015	2014	2015	2014	2015	2014	2015
Segment (loss)/ revenue	(2,673,244)	(263,603)	23,351	5,628	(2,649,893)	(257,975)	8,519,554
Segment results	(3,478,763)	(801,137)	(245,156)	(170,970)	(3,723,919)	(972,107)	7,445,528
Share of results of associates			(3,576)	2,854,140	-	635,929	(3,576)
Impairment and amortisation			(3,830,110)	-	-	(63,633)	(3,830,110)
Murabaha payable costs			(296,755)	(207,764)	-	(20,592)	(296,755)
National Labour Support Tax and Zakat			(102,415)	(76,050)	-	-	(102,415)
(Loss) profit for the period			(7,956,775)	1,598,219	11,169,447	3,331,517	3,212,672
							4,929,736

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention, or need, to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

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

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

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

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

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Kuwaiti Dinars		
	Level 1	Level 3	Total
30 September 2015			
Financial assets at fair value			
<i>Financial assets at fair value through income statement:</i>			
Quoted equities	-	-	-
Unquoted equity securities	-	2,401,596	2,401,596
			<u>2,401,596</u>
	Kuwaiti Dinars		
	Level 1	Level 3	Total
30 September 2014			
Financial assets at fair value			
<i>Financial assets at fair value through income statement:</i>			
Quoted equities	450,581	-	450,581
Unquoted equity securities	-	4,104,347	4,104,347
			<u>4,554,928</u>

During the nine month period ended 30 September 2015, there were no transfers between the hierarchies.