

**Sokouk Holding Company K.S.C.P.
and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

30 SEPTEMBER 2015



Building a better
working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P.

Report on the Interim Condensed Consolidated Financial Information

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sokouk Holding Company K.S.C.P. (the “Company”) and its subsidiaries (collectively the “Group”) as at 30 September 2015, and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three month and nine month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting” (“IAS 34”). 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 IAS 34.

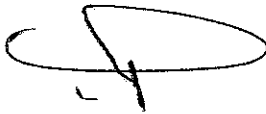
Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 6 to the interim condensed consolidated financial information which describes the uncertainty relating to the final outcome of an ongoing lawsuit in relation to a trading property owned by the Company.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P. (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 account of the 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 regulation, or of the Company's memorandum of incorporation and articles of association, as amended, during the nine months period ended 30 September 2015 that might have had a material effect on the business of the Company or on its financial position.



WALEED A. AL OSAIMI
LICENCE NO. 68-A
EY
AL AIBAN, AL OSAIMI & PARTNERS



DR. ALI OWAIID RUKHEYES
LICENCE NO. 72-A
MEMBER OF NEXIA INTERNATIONAL –
(ENGLAND)
ALWAHA AUDITING OFFICE

12 November 2015
Kuwait

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 September 2015

	<i>Three months ended</i>		<i>Nine months ended</i>		
	<i>30 September</i>		<i>30 September</i>		
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	
<i>Note</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	
Hospitality income	337,069	-	441,965	-	
Hospitality costs	(350,354)	-	(620,967)	-	
Gross loss	(13,285)		(179,002)		
Net investment income	-	-	-	92,308	
Income from investment properties	87,027	31,396	234,421	97,081	
Management fees	30,639	54,369	88,405	107,864	
Share of results of associates	533,603	500,896	2,030,644	3,391,578	
Gain on sale of non-current assets held for sale	-	8,616	-	8,616	
Foreign exchange gain	792	34,874	46,133	27,356	
Other income	2,589	2,270	7,142	6,823	
Staff costs	(301,578)	(264,488)	(1,080,441)	(707,998)	
Administrative expenses	(213,037)	(85,714)	(722,317)	(195,852)	
Finance costs	(405,162)	(121,590)	(833,865)	(316,661)	
Write-back of provisions	-	50,944	-	53,659	
(LOSS) PROFIT FOR THE PERIOD	(278,412)	211,573	(408,880)	2,564,774	
Attributable to:					
Equity holders of the Company	(140,218)	240,285	36,557	2,631,360	
Non-controlling interests	(138,194)	(28,712)	(445,437)	(66,586)	
	(278,412)	211,573	(408,880)	2,564,774	
BASIC AND DILUTED (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	3	(0.25) fils	0.42 fils	0.07 fils	4.61 fils

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

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2015

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
(LOSS) PROFIT FOR THE PERIOD	(278,412)	211,573	(408,880)	2,564,774
OTHER COMPREHENSIVE (LOSS) INCOME				
<i>* Other comprehensive loss to be reclassified to consolidated statement of income in subsequent periods</i>				
- Financial assets available for sale:				
Net change in fair values	-	-	-	(12,692)
Transferred to consolidated statement of income on sale	-	-	-	(82,308)
	-	-	-	(95,000)
- Foreign currency translation adjustments	2,338	39,080	123,866	37,484
- Share of other comprehensive income of associates	(6,307)	66,979	263,383	65,109
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(3,969)	106,059	387,249	7,593
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(282,381)	317,632	(21,631)	2,572,367
Attributable to:				
Equity holders of the Company	(144,187)	346,344	423,806	2,638,953
Non-controlling interests	(138,194)	(28,712)	(445,437)	(66,586)
	(282,381)	317,632	(21,631)	2,572,367

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 September 2015

		(Restated) (Audited)	(Restated)
	30 September 2015	31 December 2014	30 September 2014
	KD	KD	KD
ASSETS			
Cash and cash equivalents	2,389,837	1,141,194	1,101,337
Inventories	67,638	-	-
Accounts receivables and prepayments	10,396,575	9,191,168	11,460,001
Investment properties	4 6,482,000	6,482,000	6,220,000
Financial assets available for sale	3,831,533	3,831,533	4,728,891
Investment in associates	56,027,889	57,447,977	56,102,632
Sokouk utilization rights	35,353	35,353	67,519
Property and equipment	5 33,341,190	31,560,882	29,555,697
Trading property	6 1,500,022	1,500,022	1,500,022
TOTAL ASSETS	114,072,037	111,190,129	110,736,099
EQUITY AND LIABILITIES			
Equity			
Share capital	7 59,314,500	56,490,000	56,490,000
Statutory reserve	2,895,475	2,895,475	2,385,102
Voluntary reserve	2,895,475	2,895,475	2,385,102
Treasury shares	(1,769,871)	(1,769,871)	(1,769,871)
Effect of changes in other comprehensive income of Associates	247,643	(15,740)	49,369
Foreign currency translation reserve	158,211	34,345	(21,496)
Other reserves	7 (258,173)	-	-
Retained earnings	15,652,345	18,440,288	17,080,046
Equity attributable to the shareholders of the Company	79,135,605	78,969,972	76,598,252
Non-controlling interests	971,735	1,158,999	1,091,377
Total equity	80,107,340	80,128,971	77,689,629
Liabilities			
Islamic finance payables	8 31,550,741	28,594,802	30,180,104
Accounts payable and accruals	2,141,652	2,233,031	2,652,629
Employees' end of service benefits	272,304	233,325	213,737
Total liabilities	33,964,697	31,061,158	33,046,470
TOTAL EQUITY AND LIABILITIES	114,072,037	111,190,129	110,736,099

Mr. Ghanem Yousef Abdullah Al-Ghanem
Chairman

Mr. Feras Fahad Al Bahar
Chief Executive Officer

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

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2015

Attributable to equity holders of the Company

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Effect of changes in other comprehensive income of associates KD	Foreign currency translation reserve KD	Cumulative changes in fair values KD	Other reserves KD	Retained earnings KD	Sub-total KD	Non-controlling interests KD	Total equity KD
At 1 January 2015	56,490,000	2,895,475	2,895,475	(1,769,871)	(15,740)	34,345	-	-	18,440,288	78,969,972	1,158,999	80,128,971
Profit (loss) for the period	-	-	-	-	-	-	-	-	36,557	36,557	(445,437)	(408,880)
Other comprehensive income for the period	-	-	-	-	263,383	123,866	-	-	-	387,249	-	387,249
Total comprehensive income (loss) for the period	-	-	-	-	263,383	123,866	-	-	36,557	423,806	(445,437)	(21,631)
Bonus shares (Note 7)	2,824,500	-	-	-	-	-	-	-	(2,824,500)	-	-	-
Ownership changes in subsidiaries without loss of control (Note 7)	-	-	-	-	-	-	-	(258,173)	-	(258,173)	258,173	-
At 30 September 2015	59,314,500	2,895,475	2,895,475	(1,769,871)	247,643	158,211	-	(258,173)	15,652,345	79,135,605	971,735	80,107,340
At 1 January 2014	53,800,000	2,385,102	2,385,102	(1,769,871)	(15,740)	(58,980)	95,000	-	17,138,686	73,959,299	657,963	74,617,262
Profit (loss) for the period	-	-	-	-	-	-	-	-	2,631,360	2,631,360	(66,586)	2,564,774
Other comprehensive income (loss) for the period	-	-	-	-	65,109	37,484	(95,000)	-	-	7,593	-	7,593
Total comprehensive income (loss) for the period	-	-	-	-	65,109	37,484	(95,000)	-	2,631,360	2,638,953	(66,586)	2,572,367
Non-controlling interest arising on increase on share capital of a subsidiary (Note 9)	-	-	-	-	-	-	-	-	-	-	500,000	500,000
Bonus shares (Note 7)	2,690,000	-	-	-	-	-	-	-	(2,690,000)	-	-	-
At 30 September 2014	56,490,000	2,385,102	2,385,102	(1,769,871)	49,369	(21,496)	-	-	17,080,046	76,598,252	1,091,377	77,689,629

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

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 September 2015

	<i>Nine months ended</i>	
	<i>30 September</i>	
Notes	<i>2015</i>	<i>2014</i>
	<i>KD</i>	<i>KD</i>
OPERATING ACTIVITIES		
(Loss) profit for the period	(408,880)	2,564,774
Adjustments to reconcile (loss) profit for the period to net cash flows:		
Net investment income	-	(92,308)
Share of results of associates	(2,030,644)	(3,391,578)
Gain on sale of non-current assets held for sale	-	(8,616)
Write-back of provisions	-	(53,659)
Finance costs	833,865	316,661
Provision for employees' end of service benefits	38,979	62,826
Depreciation	301,207	-
	<u>(1,265,473)</u>	<u>(601,900)</u>
Changes in operating assets and liabilities:		
Inventories	(67,638)	-
Accounts receivable and prepayments	2,187,087	2,075,180
Sokouk utilization rights	-	73,323
Accounts payable and accruals	(91,379)	(143,011)
	<u>762,597</u>	<u>1,403,592</u>
INVESTING ACTIVITIES		
Proceeds from sale of financial assets available for sale	-	1,270,278
Proceeds from sale of non-current assets held for sale	-	220,327
Dividend received from associates	445,487	445,471
Additions to property and equipment	5 (2,081,515)	(2,162,950)
Additions to investment properties	-	(4,059,000)
Dividend income received	-	10,000
	<u>(1,636,028)</u>	<u>(4,275,874)</u>
FINANCING ACTIVITIES		
Net movement in islamic finance payables	8 2,955,939	2,873,180
Finance costs paid	(833,865)	-
	<u>2,122,074</u>	<u>2,873,180</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	1,248,643	898
	<u>1,141,194</u>	<u>1,100,439</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
	<u>2,389,837</u>	<u>1,101,337</u>

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

Sokouk Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2015

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Sokouk Holding Company K.S.C.P. (the "Company") and its subsidiaries (collectively the "Group") for the nine month periods ended 30 September 2015 were authorised for issue in accordance with a resolution of the directors on 12 November 2015.

The consolidated financial statements for the year ended 31 December 2014 were approved by the Company's shareholders during the Annual General Assembly held on 1 March 2015.

The Company is registered in the State of Kuwait and was incorporated and authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department on 23 August 1998 and registered in commercial register on 29 August 1998, and subsequent amendments there to. The Company's registered address is at P.O. Box 29110 Safat- Postal code 13152- State of Kuwait.

The Company is a subsidiary of Aref Investment Group S.A.K. ("Aref") ("the Parent Company"), a Kuwaiti share holding Company incorporated in the State of Kuwait and Aref is a subsidiary of Kuwait Finance House K.S.C.P. ("the Ultimate Parent Company"), a registered Islamic Bank with Central Bank of Kuwait and its shares are listed on the Kuwait Stock Exchange.

The main activities of the Company are as follows:

- Ownership of shares of Kuwaiti or foreign shareholding companies or units in Kuwaiti or foreign limited liability companies, or establishing, managing, financing and sponsoring such companies.
- Financing and sponsoring entities in which the Company has an ownership interest of not less than 20% in such entities.
- Owning industrial rights such as patents, industrial trademarks, sponsoring foreign companies or any other related industrial rights and leasing such rights for the benefit of companies inside or outside State of Kuwait.
- Ownership of movable assets or real estates required to pursue the Company's activities within the limits acceptable by law.
- Utilizing available surplus funds by investing these funds in portfolios managed by specialized parties.

All activities are conducted in accordance with Islamic sharee'a.

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.

Change in accounting policy and disclosures

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2014, except for the adoption of the amendments, the new accounting policies of which are stated below and annual improvements to IFRSs, relevant to the Company which are effective for annual reporting period starting from 1 July 2014. The adoption of these amendments and annual improvements to IFRS has no significant impact on the interim condensed consolidated financial information of the Group.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs are those expenses incurred in bringing each item to its present location and condition. Cost represents purchase cost on a specific identification basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Trading property

Trading property is held for short term purposes and is carried at the lower of cost and net realizable value determined on an individual basis. Cost comprises the purchase cost of real estate and other expenses incurred in order to complete the transaction. Net realizable value is based on estimated selling price less any further costs to be incurred on disposal of real estate.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS and should be read in conjunction with the Company'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. Operating results for the nine months period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

Sokouk Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2015

2 BASIS OF PREPARATION (continued)

Change in accounting policy and disclosures (continued)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognised.

- Hospitality income represents the invoiced value of services provided during the period.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful lives of other assets to their residual values as follows:

Building	30 - 50 years
Computer hardware	3 to 4 years
Furniture and fixtures	3 to 5 years
Motor vehicles	3 to 4 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD).

3 BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share is calculated by dividing the (loss) profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
(Loss) profit for the period attributable to equity holders of the Company	(140,218)	240,285	36,557	2,631,360
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period	571,645,336	571,645,336	571,645,336	571,645,336
Basic and diluted (loss) earnings per share	(0.25) fils	0.42 fils	0.07 fils	4.61 fils

Basic and diluted (loss) earnings per share for the three months and nine months periods ended 30 September 2014 was 0.44 fils and 4.83 fils respectively, before retrospective adjustment to the number of shares following the bonus issue (Note 7).

As at 30 September, the Company had no outstanding dilutive potential shares.

Sokouk Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2015

4 INVESTMENT PROPERTIES

Investment properties comprise of residential building located in Kuwait.

The fair value of investment properties was determined as at 31 December 2014 by independent valuers who are specialised in valuing these types of properties. Management is of the view that no significant changes have occurred in fair values of these properties during the period ended 30 September 2015.

Investment properties are mortgaged as collateral against Islamic finance payables of KD 2,896,952 (31 December 2014: KD 3,012,162 and 30 September 2014: KD 2,998,581) (Note 8).

5 PROPERTY AND EQUIPMENT

Property and equipment represent costs of free hold land and subsequent costs incurred to construct a hotel in Kuwait.

Cumulative borrowing costs amounting to KD 3,001,277 (31 December 2014: KD 2,703,197 and 30 September 2014: KD 2,693,667) have been capitalised as additions to property and equipment.

Property and equipment of KD 33,341,190 (31 December 2014: KD 31,560,882 and 30 September 2014: KD 29,551,034) are mortgaged as collateral against Islamic financing payables of KD 21,275,625 (31 December 2014: KD 20,462,196 and 30 September 2014: KD 20,085,067) (Note 8).

6 TRADING PROPERTY

During 2012, the Company acquired a trading property at its fair value of KD 1,500,022 in lieu of settlement of a wakala receivable from the borrower. The title of this property was transferred to the Company as on that date. However during the current period, the management became aware that there is an ongoing lawsuit between the borrower and a third party in relation to ownership of this property. Consequently, any transfer of the title of this property is subject to final outcome of the ongoing lawsuit. The trial is currently in process in the court of law and therefore it is not practical to assess the final outcome of the court judgment. Accordingly, no provision has been recognised in the interim condensed consolidated financial information.

The trading property was previously classified as an asset held for sale however given the ongoing lawsuit, it has been reclassified as a trading property retrospectively since it no longer meets the criteria of classification as an asset 'held for sale' under IFRS 5. This reclassification did not have any effect on previously reported total assets, total equity, total liabilities and profit reported in the prior periods.

7 SHARE CAPITAL AND ANNUAL GENERAL ASSEMBLY

- a) The annual general assembly of the shareholders of the Company held on 1 March 2015 approved the consolidated financial statements for the year ended 31 December 2014. Whereas, the extra ordinary general assembly held on 16 March 2015 approved the board of directors proposal for distribution 5% bonus shares (2013: 5%) amounting to KD 2,824,500 for the year ended 31 December 2014 (2013: 2,690,000). The above was registered in the Company's Commercial registrar on 19 March 2015.
- b) During September 2015, the Group increased its equity interest in Gulf Real Estate Development House K.S.C. (Closed) from 75% to 87% as a result of issuance of additional share capital and consequently recognized a loss of KD 258,173 under 'other reserves' which is classified in equity.

8 ISLAMIC FINANCE PAYABLES

Islamic finance payables represent facilities obtained from local Islamic financial institutions and are secured by the property and equipment amounting to KD 33,341,190 (31 December 2014: KD 31,560,882 and 30 September 2014: KD 29,551,034) (Note 5) and investment properties amounting to KD 6,482,000 (31 December 2014: KD 6,482,000 and 30 September 2014: KD 2,998,581) (Note 4). During the current period, the Group settled Islamic finance facility of KD 18,031,138 (31 December 2014: KD Nil and 30 September 2014: KD Nil) with one of the local banks and obtained new facility of KD 21,000,000 (31 December 2014: Nil and 30 September 2014: Nil) from a local Islamic financial institution.

Soukoku Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2015

9 RELATED PARTY TRANSACTIONS

Related parties represent Parent Company, Ultimate Parent Company, major shareholders, associates, directors and key management personnel of the Group, and companies of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Company's management.

Transactions with related parties included in the interim condensed consolidated financial information are as follows:

	Parent Company/ Ultimate Parent Company		Associates		Others		30 September 2015		30 September 2014	
	KD		KD		KD		KD		KD	
<i>Interim condensed consolidated statement of income:</i>										
Finance costs	295,240	-	-	-	-	-	295,240	-	283,159	50,944
Net provision write back against amounts due from related parties	-	-	-	-	-	-	-	-	-	-
							(Audited)			
<i>Interim condensed consolidated statement of financial position:</i>										
Amounts due from related parties	-	4,561,021	-	26,076	-	4,587,097	1,106,328	1,335,077	-	-
Amounts due to related parties	115,585	5,461	-	396,881	-	517,927	488,283	586,139	-	-
Islamic finance payables	8,275,116	-	-	-	-	8,275,116	8,882,414	28,191,504	-	-

Amounts due from/ due to related parties are receivables/ payables on demand and do not carry any profit.

Amounts due from related parties are stated net of provision for doubtful debts of KD 80,523 (31 December 2014: KD 80,523 and 30 September 2014: KD 91,844).

During the nine month periods ended 30 September 2014, a subsidiary of the Company has increased its share capital by KD 2,000,000 in kind against amounts due to the shareholders. The Group's participation in the share capital increase is KD 1,500,000, whereas participation of non-controlling interest (a related party) is KD 500,000. This has resulted in reduction in amounts due to related party and increase in non-controlling interest by KD 500,000.

Key management compensation

	Nine months ended	
	30 September 2015	30 September 2014
	KD	
Salaries and other short term benefits	269,924	195,393
End of service benefits	20,813	29,171
	<u>290,737</u>	<u>224,564</u>

Sokouk Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2015

10 SEGMENT INFORMATION

For management purposes, the Company is organised into three major business segments. The principal activities and services under these segments are as follows:

- Investment: Managing direct investments and investments in subsidiaries and associates; and
- Real estate: Managing investment properties; and
- Hotel operations: Consist of the hospitality services provided through the Millennium hotel and convention centre – Kuwait.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments. The Group does not have any inter-segment transactions.

The following table presents segment revenue, expenses, results information regarding the Group's operating business segments:

<i>Nine months ended 30 September 2015</i>	<i>Hotel operations KD</i>	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment revenue	441,965	234,421	2,030,644	141,680	2,848,710
Segment expenses	(2,277,786)	(257,818)	(204,725)	(517,261)	(3,257,590)
Segment results	<u>(1,835,821)</u>	<u>(23,397)</u>	<u>1,825,919</u>	<u>(375,581)</u>	<u>(408,880)</u>
<i>Nine months ended 30 September 2014</i>	<i>Hotel operations KD</i>	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Others KD</i>	<i>Total KD</i>
Segment revenue	-	97,081	3,483,886	150,659	3,731,626
Segment expenses	-	(282,855)	(246,239)	(637,758)	(1,166,852)
Segment results	<u>-</u>	<u>(185,774)</u>	<u>3,237,647</u>	<u>(487,099)</u>	<u>2,564,774</u>

11 COMMITMENTS AND CONTINGENCIES

The Group had capital commitments towards construction contracts relating to property and equipment amounting to KD Nil (31 December 2014: KD 174,689 and 30 September 2014: KD 106,639).

Sokouk Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

At 30 September 2015

12 FAIR VALUES

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.

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. This level also includes items whose fair values have been provided by reputable external fund managers; 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:

	<i>Level 1</i> KD	<i>Level 3</i> KD	<i>Total</i> KD
<i>30 September 2015</i>			
Financial assets available for sale	-	-	-
<i>31 December 2014 (Audited)</i>			
Financial assets available for sale	-	-	-
<i>30 September 2014</i>	<i>Level 1</i> KD	<i>Level 3</i> KD	<i>Total</i> KD
Financial assets available for sale	-	4,728,891	4,728,891

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value.

	<i>At the beginning of the period/ year</i> KD	<i>Net losses recorded in the interim condensed consolidated statement of comprehensive income</i> KD	<i>Purchase</i> KD	<i>transfer, sales and settlements</i> KD	<i>At the end of the period/ year</i> KD
<i>30 September 2015</i>					
Financial assets available for sale	-	-	-	-	-
<i>31 December 2014 (Audited)</i>					
Financial assets available for sale	-	-	-	-	-
<i>30 September 2014</i>					
Financial assets available for sale	4,822,515	-	-	(93,624)	4,728,891

Financial assets available for sale are carried at cost less impairment due to the unpredictable nature of future cash flows and the unavailability of financial information to arrive at a reliable measure of fair value.

Fair value of other financial assets and liabilities are not materially different from their carrying values at the reporting date.