الكويتية السورية القابضة
Kuwait Syrian Holding

Kuwait Syrian Holding Company – K.S.C.P.
Holding Company
And its Subsidiaries
State of Kuwait

Consolidated Financial Statements and Independent Auditors' Report
For the year ended 31 December 2016

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For the year ended 31 December 2016

Contents

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Independent Auditors' Report to the Shareholders
Kuwait Syrian Holding Company - K.S.C.P.
Holding Company
State of Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kuwait Syrian Holding Company K.S.C.P – Holding Company (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 19 to the consolidated financial statements which discloses that 70% of the Group's assets amounting to KD 22.5 Million is in Syria and that the Group has assessed that the current political and economic events is unlikely to have any material effect on carrying value of these assets.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties and impairment of trading properties:

As at 31 December 2016, investment properties and properties held for trading amounting to KD 10,920,784 and KD 4,177,906 respectively represent 49% and 19% of total assets. The disclosures relating to the investment properties and properties held for trading are given in notes 2.3.3, 2.3.4, 4, 5 and 7 to the consolidated financial statements.

The valuation of real estate properties requires significant estimates and judgments. The significance of the estimates and judgements involved, coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement, warrants specific audit focus in this area.

The valuation was carried out by independent third party valuers not related to the Group. The Valuers were engaged by the Group's management. The Valuers are certified in their relevant jurisdictions and have considerable experience of the markets in which the Group operates.

As a part of our audit procedures, we selected samples of real estate properties and considered the appropriateness of the methodologies, as well as models and inputs used for valuations; we also evaluated the Group's assessment of whether an objective evidence of impairment exists when measuring the properties held for trading.

Independent Auditors' Report to the Shareholders (continued)
Kuwait Syrian Holding Company - K.S.C.P.
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Report on the Audit of the Consolidated Financial Statements (continued)

Impairment of available for sale investments:
As at 31 December 2016, Available for sale investments amounting to KD 1,853,267 represent 8% of total assets. The disclosures relating to the available for sale investment are given in notes 2.3.5, 4, 6 and 14 to these consolidated financial statements.

The Company determines the impairment of the available for sale investments when there is significant or prolonged decline in the fair value of the investments classified as "available for sale investments". When an available for sale investment is considered to be impaired, cumulative change in fair value are reclassified from change in fair value reserve to the consolidated statement of income.

Impairment of available for sale investments is a subjective area due to the level of judgment applied by management in determining impairment and the management is required to identify those investments that are deteriorating, make an objective assessment for evidence of impairment. Determination of what is significant or prolonged requires judgment from management.

The management evaluates, among other factors, the usual fluctuation of listed stock prices, expected cash flows and discount rates of unquoted investments. Impairment is considered appropriate when there is objective evidence on the deterioration of the financial position for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

As a part of our audit procedures, we assess the management objective assessment for evidence of impairment and we challenged management's rationale for identifying significant and prolonged decline in the fair value of the security below its cost, also we validate the sufficiency of the related disclosures stated in the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditors' Report to the Shareholders (continued)
Kuwait Syrian Holding Company - K.S.C.P.
Holding Company

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that, we obtained the information that we deemed necessary for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016 and its executive regulation and by the Parent Company's Memorandum and Articles of Association as amended, that an inventory was duly carried out and that to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its executive regulation or by the Parent Company's Memorandum and Articles of Association as amended have occurred during the financial year ended 31 December 2016, that might have had a material effect on the business of the Group or on its consolidated financial position, except of owning properties by the Parent Company.

Bader A. Al-Wazzan	**Abdullatif A. H. Al-Majid**
Licence No. 62A	Licence No. 70A
Deloitte & Touche - Al Wazzan & Co.	Of Parker Randall (Allied Accountants)

Kuwait, 28 February 2017

Kuwait Syrian Holding Company – K.S.C.P.
Holding Company
And its Subsidiaries
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الكويتية السورية القابضة
Kuwait Syrian Holding

Consolidated Statement of Financial Position as at 31 December 2016

(All amounts are in Kuwaiti Dinars)

	Notes	2016	2015
Assets			
Non-current assets			
Investment properties	5	10,920,784	10,188,264
Available for sale investments	6	1,853,267	4,796,192
		12,774,051	14,984,456
Current assets			
Properties held for trading	7	4,177,906	4,292,656
Trade and other receivables		153,523	213,459
Investments at fair value through profit or loss	8	1,579,441	536,681
Cash at financial institutions	9	906,411	3,076,841
		6,817,281	8,119,637
Assets held for sale	10	2,878,794	-
		9,696,075	8,119,637
Total assets		22,470,126	23,104,093
Equity and Liabilities			
Equity			
Share capital	11	17,627,690	17,627,690
Statutory reserve	12	78,508	78,508
Change in fair value reserve		94,094	163,350
Retained earnings		31,301	623,604
Total equity attributable to the shareholders of the Parent Company		17,831,593	18,493,152
Non-controlling interest		4,371,927	4,392,347
Total equity		22,203,520	22,885,499
Non-current liabilities			
End of service indemnity		72,358	63,874
Current liabilities			
Trade and other payables		194,248	154,720
Total liabilities		266,606	218,594
Total equity and liabilities		22,470,126	23,104,093

The accompanying notes form an integral part of these consolidated financial statements.

Fawzan Mohammed Al-Faris
Chairman

Marzouk Nasser Al-Kharafi
Vice Chairman

الكويتية السورية القابضة
Kuwait Syrian Holding

Consolidated Statement of Income for the year ended 31 December 2016

(All Amounts are in Kuwaiti Dinars)

	Notes	2016	2015
Revenues			
Gains from valuation of investment properties	5	-	141,781
Net income from properties held for trading	13	117,268	504,405
Net gains from investments	14	274,092	596,518
(Loss)/ profit from foreign currency differences		(155,077)	65,863
Other income		23,854	4,240
Total revenues		260,137	1,312,807
Expenses and other charges			
Staff cost		212,413	118,650
Administration expenses		124,578	188,652
Provision for doubtful debts		7,038	86,319
Total expenses and other charges		344,029	393,621
Net (loss)/ profit for the year before deductions		(83,892)	919,186
Contribution to Kuwait Foundation for the Advancement of Science		-	(6,120)
Zakat		-	(8,423)
National Labour Support Tax		-	(23,422)
Board of Directors' remuneration		-	(45,000)
Net (loss)/ profit for the year		(83,892)	836,221
Attributable to:			
Shareholders of the Parent Company		(63,472)	775,696
Non-controlling interest		(20,420)	60,525
		(83,892)	836,221
(Loss)/ earnings per share (fils)	15	(0.36)	4.40

The accompanying notes are an integral part of these consolidated financial statements.

Kuwait Syrian Holding Company – K.S.C.P.
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الكويتية السورية القابضة
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Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

(All Amounts are in Kuwaiti Dinars)

	2016	2015
Net (loss)/ profit for the year	(83,892)	836,221
Other comprehensive income items:		
Available for sale investments		
Changes in fair value	(69,256)	-
Total other comprehensive income items	(69,256)	-
Total comprehensive (loss)/ profit for the year	(153,148)	836,221
Attributable to:		
Shareholders of the Parent Company	(132,728)	775,696
Non-controlling interest	(20,420)	60,525
	(153,148)	836,221

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 December 2016

(All Amounts are in Kuwaiti Dinars)

	Equity attributable to the shareholders of the Parent Company					Non-controlling interest	Total equity
	Share capital	Statutory reserve	Change in fair value reserve	Retained earnings	Total		
Balance at 1 January 2015	30,000,000	602,281	163,350	(13,048,175)	17,717,456	4,331,822	22,049,278
Net profit for the year	-	-	-	775,696	775,696	60,525	836,221
Amortization of accumulated losses	(12,372,310)	(602,281)	-	12,974,591	-	-	-
Transferred to statutory reserve	-	78,508	-	(78,508)	-	-	-
Balance at 31 December 2015	17,627,690	78,508	163,350	623,604	18,493,152	4,392,347	22,885,499
Balance at 1 January 2016	17,627,690	78,508	163,350	623,604	18,493,152	4,392,347	22,885,499
Net loss for the year	-	-	-	(63,472)	(63,472)	(20,420)	(83,892)
Total other comprehensive income items	-	-	(69,256)	-	(69,256)	-	(69,256)
Dividends (note 18)	-	-	-	(528,831)	(528,831)	-	(528,831)
Balance at 31 December 2016	17,627,690	78,508	94,094	31,301	17,831,593	4,371,927	22,203,520

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2016

(All Amounts are in Kuwaiti Dinars)

	Note	2016	2015
Cash flows from operating activities			
Net (loss)/ profit for the year		(83,892)	836,221
Adjustments:			
Gains from valuation of investment properties		-	(141,781)
Gains from sale of properties held for trading		-	(251,750)
Impairment of properties held for trading		114,750	-
Net gains from investments		(288,871)	(600,480)
Provision for doubtful debts		7,038	86,319
Interest income		(23,854)	(4,240)
End of service indemnity provision		20,576	11,408
Operating losses before changes in working share capital		(254,253)	(64,303)
Trade and other receivables		30,538	(89,669)
Investments at fair value through profit or loss		(959,413)	298,596
Trade and other payables		30	(82,303)
Paid of end of service indemnity		(12,092)	(19,500)
Net cash (used in)/ generated from operating activities		(1,195,190)	42,821
Cash flows from investing activities			
Paid for assets held for sale		(5,125)	-
Proceed from sale of properties held for trading		-	960,001
Paid for purchase and develop investment properties		(633,175)	(34,032)
Term deposits		(304,156)	-
Interest income received		23,854	4,240
Cash dividends received		128,539	622,524
Net cash (used in)/ generated from investing activities		(790,063)	1,552,733
Cash flows from financing activities			
Payment of cash dividends		(489,333)	-
Net cash used in financing activities		(489,333)	-
Net change in cash and cash equivalents		(2,474,586)	1,595,554
Cash and cash equivalents at the beginning of the year		3,076,841	1,481,287
Cash and cash equivalents at the end of the year	9	602,255	3,076,841

The accompanying notes are an integral part of these consolidated financial statements.

1. Incorporation of the Group

Kuwait Syrian Holding Company "the Parent Company" is a Kuwaiti Public Shareholding Company incorporated in 28 July 2002.

The main activities of the Parent Company are:

- Owning stocks in Kuwaiti or Non-Kuwaiti shareholding companies and shares in Kuwaiti or non-Kuwaiti limited liability companies and participating in the establishment, lending and managing of these companies and acting as a guarantor for these companies.
- Lending money to companies in which it owns shares, guaranteeing them with third parties where the holding company owns 20% or more of the capital of the borrowing company.
- Owning industrial rights such as patents, industrial trademarks, royalties, or any other related rights, and leasing to other companies to use it inside and outside state of Kuwait.
- Owning properties and moveable property to conduct its operations within the limits as stipulated by law.
- Utilizing the company's available surplus funds in financial portfolio managed by specialized entities.

The Parent Company's main office is at Rakan Tower, 16th Floor, Fahad Al-Salem Street, Kuwait.

These consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (note 17.1), known collectively as "the Group".

The consolidated financial statements for the year ended 31 December 2015 were approved by the General Assembly of the shareholders on 23 March 2016.

On 1 February 2016, the new Companies Law no. 1/2016 was published in the Official Gazette which is effective from 26 November 2012. According to the new Law, the Companies Law No. 25 of 2012 and its amendments have been cancelled. The new Executive Regulations of Law No. 1 of 2016 were issued on 12 July 2016 and was published in the Official Gazette on 17 July 2016. Companies have six months from that date to comply Law No 1 of 2016.

These consolidated financial statements for the year ended 31 December 2016 were authorized for issuance by the Board of Directors on 28 February 2017. The General Assembly of the shareholders have the authority to amend these consolidated financial statements after issuance.

2. Basis of preparation and Significant accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. These consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values, as explained in the accounting policies below.

2.2 Application of new and revised International Financial Reporting Standards (IFRS)

2.2.1 New and revised IFRSs applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2016, have been adopted in these consolidated financial statements. The application of these revised IFRSs has had no any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative
- Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture*: Bearer Plants
- Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities
- Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34

2.2.2 New and revised IFRS in issue but not yet effective

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

<u>New and revised IFRSs</u>

- Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28. The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018, the amendment to IFRS 12 for annual periods beginning on or after 1 January 2017.
- Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. Effective for annual periods beginning on or after 1 January 2017.
- Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive. Effective for annual periods beginning on or after 1 January 2018.
- *IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014)*
- IFRS 9 is effective for annual periods beginning on or after 1 January 2018. IFRS 9 contains accounting requirements for financial instruments and replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:
  - **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.
  - **Impairment**: 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.
  - **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
  - **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.
- IFRS 15 *Revenue from Contracts with Customers*

  IFRS 15 was issued in May 2014, effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- IFRS 16 *Leases*

  IFRS 16 was issued on January 2016 with an effective date of annual periods beginning on or after 1 January 2019. IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture. The effective date of these amendments are deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

The application of IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's financial statements in respect of the Group's financial assets and financial liabilities.

2.3 Significant Accounting Policies

2.3.1 Basis of Consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company (a) has power over the investee (b) is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to use its power to affects its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three components of controls listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control over subsidiary. Specifically, income and expenses of subsidiary acquired or disposed of during the year are included in the consolidated statement of income or other comprehensive income from the date the Company gains control until the date when Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting polices.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between

(A) The aggregate of the fair value of the consideration received and the fair value of any retained interest,

(B) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses combination are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except deferred tax assets or liabilities, liabilities or equity instruments related to share based payment arrangements and assets that are classified as held for sale in which cases they are accounted for in accordance with the related IFRS.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of income. Amounts, that have previously been recognised in other comprehensive income, are reclassified to the statement of income as if that interest was disposed off.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.3.2 Assets classified as held for sale

Assets are classified as assets held for sale if their carrying amount is recovered principally through a sale transaction rather than through a continuing use and stated at lower of carrying amount and fair value less cost to sell.

2.3.3 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the period in which the property is derecognised.

2.3.4 Land and real estates held for trading

Land and real estates held for trading are stated at cost when acquired. Cost is determined on an individual basis for such land or real estate, cost represents the fair value of the consideration given, plus ownership transfer fee and brokerage expenses. Land and real estates held for trading are classified under current assets and are valued at the lower of cost or realisable value on an individual basis. Realisable value is determined on the basis of estimated sale value, less the estimated expenses necessary to complete the sale. Gains and losses from the sale of land and property held for trading are reported in the consolidated statement of income by the difference between sale value and its book value.

2.3.5 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual obligations of these instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) on initial recognition. Transaction costs directly attributable to the acquisition are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), held to maturity, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. The Group has determined the classification of its financial assets as follows:

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 3.3.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, other receivable, cash and cash equivalent) are measured at amortised cost using the effective interest method, less any impairment.

Available for sale (AFS)

AFS financial assets are non-derivatives and are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

The financial assets available for sale is re-measured at fair value. The fair value is determined in the manner described in note 3.3.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of changes in fair value reserve. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Foreign exchange gains and losses are recognised in other comprehensive income.

Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, after discounted by the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is represented as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through provision for doubtful debts. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the income statement.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in the statement other comprehensive income are reclassified to the statement of income for the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through the statement of income. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of income.

Financial liabilities

Financial liabilities (including credit facilities) are recognised initially at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of income.

2.3.6 End of service's indemnity

The Group is liable under Kuwait Labour Law to make payments under defined benefit plans to employees at termination of employment. Such payment is made on a lump sum basis at the end of an employee service. Defined benefit plan is un-funded and is based on the liability that would arise on involuntary termination of all employees on the balance sheet date. This basis is considered to be a reliable approximation of the present value of the Group's liability.

2.3.7 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the consideration expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.3.8 Dividends

The dividends attributable to shareholders of the Parent Company are recognized as liabilities in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.3.9 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Kuwaiti Dinars' (KD).

Transactions and balances

Foreign currency transactions are translated into Kuwaiti Dinars using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign exchange gains and losses are resulted from the settlement of such transactions and from the translation at year-end in the income statement.

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows(other than companies which are operating in high inflation countries):

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

2.3.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, allowances and other discounts.

- Gain or loss from sale of investments, investments properties and the properties held for trading was recorded in the statement of income when risks and rewards associated with the disposed assets ownership have been transferred to the acquirer.
- Dividend income is recognized when the Group's right to receive payment is established.
- Interest income is accrued on a time proportion basis using the effective yield method.

2.3.11 Accounting for leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Finance lease income is allocated to accounting periods so as to reflect a constant rate of return on the net value of leased asset.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation. Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

3. Financial risk management

3.1 Financial risk

The Group's activities expose it to a variety of financial risks: market risks (including currency risks, fair value profit rates risk, cash flows profit rates risk, and prices risk) in addition to credit risk and liquidity risks.

The Group management for these financial risks is concentrated in continuous evaluation of market conditions and trends and assessment of long and short-term market factors.

a) Market risk

Foreign exchange risk

The foreign exchange risk arises from future transactions on financial instruments in currency differs from the functional currency. The group is principally exposed to the foreign currencies risk from dealing in financial instruments in USD and Syrian Pound.

The Group develops policies to manage the risks of foreign currency represented in monitoring changes of the currency rate as well as the impact on the Company's financial situation throughout the year.

The Group is mainly exposed to the foreign currencies risk from translation of assets and liabilities denominated in foreign currencies such as cash, equivalent cash, receivables, payables and credit facilities.

The following represent net assets denominated in USD Dollar as at the consolidated financial statements date:

	2016	2015
Net US Dollar	651,913	1,305,436

Had the US$ had decreased / increased against the Kuwaiti Dinar by 5% with all other variables held constant, the net profit of the Group would have been increase / decrease by KD 32,596 for the year ended 31 December 2016 (KD 65,272 - 2015).

Price risk

The Group is exposed to equity price risk investments which are as classified either as investments at fair value through profit or loss or available for sale investments.

The Group held its quoted investments with specialized financial institutions who manage such investments. Also, the Group through monthly reports provided by the portfolio's managers, monitors the investment portfolios and take immediate necessary actions to mitigate expected market risks of such investments.

Fluctuations in cash flows risks and fair value of changes in interest rates

The Group has no credit facilities, and is subject to fair value risk of change in interest rate of deposit. The Group management insure that the deposit has been held using the appropriate available interest rate.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the counterparty.

The Group is mainly exposed to credit risk arising from cash and cash equivalent. The Group monitors and manages credit risk exposure by dealing with high credit rating financial institutions.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the board of Directors. The Group manages liquidity risk by maintaining adequate borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Most of the Group's liabilities are due within one year from the date of the consolidated financial statements.

3.2 Capital risk management

The Group manages its capital to ensure that` entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimization of the equity balance. The Group has no credit facilities, as the Group is depending on its own cash to finance the activities.

3.3 Fair value estimation

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical assets or liabilities.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

The table below gives information about how the fair values of the financial assets and liabilities are determined:

	Fair value as at 31 December		Fair value hierarchy	Valuation technique(s) and Key input(s)	Relationship of unobservable inputs to fair value
	2016	**2015**			
Fair value through profit or loss:					
Local quoted shares	1,040,000	-	Level 1	Last bid price	-
Local quoted bonds	322,942	327,145	Level 1	Last bid price	-
Foreign quoted bonds	216,499	209,536	Level 1	Last bid price	-
Available for sale investments:					
Local unquoted shares	205,744	275,000	Level 2	Comparative market price for similar assets	-

The fair values of other financial assets and financial liabilities approximately equal its book value as at the consolidated financial statements date.

4. Critical accounting estimates and assumptions

In the application of the Group's accounting policies, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects future periods.

Judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the assets recognised in the consolidated financial statements:

Classification of investments

On acquisition of an investment, the Group decides whether it should be classified as "at fair value through statement of income" or "available for sale". The Group follows the guidance of IAS 39 on classifying its investments.

The Group classifies investments as "at fair value through statement of income" if they are acquired primarily for the purpose of short term profit making or if they are designated at fair value through statement of income at acquisition, when their fair values can be reliably estimated. All other investments are classified as "available for sale".

Classification of properties

Management decides on acquisition of properties whether it should be classified as held for trading or investment property.

The Group classifies property as held for trading if this is acquired principally for sale in the ordinary course of the business.

The Group classifies property as investment property if it is acquired to generate rental income or for capital appreciation.

Practicing significant influence

Available for sale investments include investments in a foreign company amounted to KD 550,642 as at 31 December 2016 (KD 550,642 as at 31 December 2015) in which the Group's ownership percentage is 40%. The Group does not have an influence on this company in terms of the decisions related to its financial statements or its operation.

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainity at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Fair value measurements and valuation techniques

Certain assets and liabilities of the Group are measured at fair value for the purposes of preparing the financial statements. The Group's management determines the main appropriate techniques and inputs required for measuring the fair value. In determining the fair value of assets and liabilities, management uses observable market data as appropriate, in case no observable market data is available the Group uses an external valuer qualified to do the valuation. Information regarding the required valuation techniques and inputs used to determine the fair value of financial assets and liabilities is disclosed in notes 3.3, 5 and 7.

Evidence of impairment of investments

Management determines the impairment in investments available for sale when there is a significant or prolonged decline in the fair value of these investments. Determination of what is significant or prolonged requires judgment from management. The Group evaluates, among other factors, the usual fluctuation of listed stock prices, expected cash flows and discount rates of unquoted investments, impairment is considered appropriate when there is objective evidence on the deterioration of the financial position for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Note 14 sets out the impact of that on the consolidated financial statements.

5. Investment properties

5.1 Investment properties represent lands under development in Syrian Arab Republic acquired for the purpose of investing in residential projects. Procedures of obtaining licenses for certain lands are under process. The Parent Company's management decided to start the implementation of the first phase of a properties project.

5.2 The movement on investment properties during the year is follows:

	2016	2015
Balance at the beginning of the year	10,188,264	10,012,451
Additions	732,520	34,032
Changes in fair value	-	141,781
Balance at the end of the year	10,920,784	10,188,264

5.3 During the prior years, the Group acquired investments properties and properties held for trading from disposed subsidiaries. The transferring of the ownership to the Group are in process during the subsequent period.

5.4 Investments properties of KD 541,314 as at 31 December 2016 (KD 1,257,347 - 2015) was mortgaged in favour of a bank in Syrian Arab Republic against credit facilities granted to one of the disposed subsidiaries and currently the Group are taking the necessary procedures to settle the situation.

5.5 The fair value of the Group's investment properties as at 31 December 2016 has been arrived at on the basis of a valuation carried out on the respective date by independent valuers not related to the Group. These valuers are registered, and they have appropriate and recent experience in the valuation of properties in the relevant locations (level 2). In estimating the fair value of the investment properties, their current use was assumed to be highest and best use of these properties.

6. Available for sale investments

	2016	2015
Local unquoted shares	205,744	275,000
Foreign unquoted shares	1,647,523	4,521,192
	1,853,267	4,796,192

6.1 Fair value of available for sale investments in local unquoted shares has been determined based on valuation basis described in note (3.3).

6.2 Available for sale investments in foreign unquoted shares were carried at cost less impairment losses as its fair value cannot reliably measured. The Group's management believes that there is no indication of further impairment in value in respect of these investments.

7. Properties held for trading

	2016	2015
Balance at the beginning of the year	4,292,656	5,000,907
Disposals	-	(708,251)
Impairment losses	(114,750)	-
Balance at the end of the year	4,177,906	4,292,656

The fair value of the properties held for trading amounted to KD 4,971,303 based on independent external valuation as at 31 December 2016 (KD 5,358,394 – 2015).

The fair value of the Group's investment properties as at 31 December 2016 are estimated based on valuations carried out by independent valuers not related to the Group. The independent valuers are licensed from the relevant regulatory bodies and they have appropriate qualifications and recent experiences in valuation of properties at the relevant locations. The fair value of investment properties was determined based on capitalisation of net income method, where the market rental of all units of the properties (Level 3). The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality. Average capitalization rate used in the valuation is 7%. The increase in capitalization rates would result in a significant decrease in the fair value, and vice versa. In estimating the fair value of the properties, their current use was assumed to be highest and best use of these properties

8. Investments at fair value through profit or loss

	2016	2015
Local quoted shares	1,040,000	-
Local quoted bonds	322,942	327,145
Foreign quoted bonds	216,499	209,536
	1,579,441	536,681

Fair value of investments at fair value through profit or loss is determined in the manner described in note (3.3).

9. Cash at financial institutions

	2016	2015
Cash at banks	491,474	1,094,602
Cash at investments portfolios	69,860	440,762
Deposits at banks	345,077	1,541,477
	906,411	3,076,841
Less: deposits for more than 3 months	(304,156)	-
Cash and cash equivalent for cash flow purpose	602,255	3,076,841

The interest rate on term deposits is 1.5% as at 31 December 2016 (1.25% - 2015).

10. Assets held for sale

As at 19 December 2016, the Board of Directors authorized the Chief Executive Officer for negotiations with buyers to sell the Group's share in the first Kuwaiti Company for Touristic Projects - Offshore SAL (subsidiary), which was established during the current year to acquire Group's shares in the Syrian-Saudi Investment Company for Tourism Project. Subsequent to the financial statements date and during 2017, the Group signed a selling contract of the subsidiary by amount of 12 million US dollars equivalent to the amount of KD 3.6 Million with a gain of KD 800 thousand approximately before deducting any commissions or expenses related to the deal. Consequently, the subsidiary has been classified as assets and liabilities held for sale and as per the requirements of the International Financial Reporting Standard No. (5), the following is the information related to the subsidiary:

Assets held for sale and related liabilities:

	2016
Cash and cash equivalent	5,125
Available for sale investments	2,873,669
Total assets	2,878,794
Trade and other payables	-
Net carrying value of the subsidiary's assets held for sale after disposal of the intergroup balances	2,878,794

There is no statement of income or cash flows items for this subsidiary during the year ended 31 December 2016.

11. Share capital

The authorized, issued and fully paid up capital is amounting to KD 17,627,690 distributed over 176,276,900 shares with nominal value of 100 fils each, and all shares are in cash.

12. Statutory reserve

In accordance with the Companies Law and the Parent Company's Articles of Association, not less of 10% from the net profit for the year before Kuwait Foundation for the Advancement of Sciences, national labour support tax, Board remuneration and zakat expense is to be transferred to the statutory reserve. The general assembly may resolve to discontinue such transfer when the legal reserve reaches 50% of the issued share capital. Distribution of this reserve is limited to the amount required to enable the payment of a dividend of 5% of the paid up share capital in years when retained earnings are not sufficient for the payment of such dividends.

13. Net income from properties held for trading

	2016	2015
Revenues of rental properties	232,018	252,655
Impairment losses	(114,750)	-
Gains from sale of properties	-	251,750
	117,268	504,405

14. Net gains from investments

	2016	2015
Investment at fair value through profit or loss:		
Changes in fair value of investments at fair value through profit of loss	83,347	(249)
Management fees	(14,779)	(3,962)
	68,568	(4,211)
Available for sale investments:		
Impairment of available for sale investments	-	(21,795)
Cash dividends	205,524	622,524
	205,524	600,729
	274,092	596,518

15. (Loss)/ earnings per share

(Loss)/ earnings per share is calculated on the basis of the net (loss)/ profit of the year attributable to the shareholders of the Parent Company and the weighted average number of ordinary shares outstanding during the year as follows:

	2016	2015
Net (loss)/ profit for the year attributable to the shareholders of the Parent Company	(63,472)	775,696
Weighted average number of shares outstanding and paid	176,276,900	176,276,900
(Loss)/ earnings per share (fils)	(0.36)	4.40

16. Related parties' transactions

Related parties represent shareholders who have representatives in the Boards of Directors, members of the Boards of Directors, Senior Management and the companies who controlled by the major shareholders. In the ordinary course of business, the Group entered into transactions with related parties during the year. The following are the transactions and balances resulted from these transactions:

	2016	2015
Transactions		
Key management remuneration	137,879	57,879
Balances		
Key management remuneration	48,093	36,491

Properties held for trading registered in a related party name.

Investments at fair value through profit or loss include investments portfolio of KD 1,040,000 and cash at portfolio of KD 5,396 as at 31 December 2016 managed by a related party and portfolio management fees amounted to KD 3,262 during the current year.

All transactions with related parties are subject to the approval of the shareholders in the annual General Assembly Meeting.

17. Subsidiaries

17.1 Structure of the Group:

Company name	Legal structure	Ownership percentage (direct & indirect) (%)		Activity	Country of corporation
		2016	2015		
Kuwait Syrian Real Estate Company	W.L.L	100	100	Real Estate	Kuwait
Al-Naser Gardens Holding Company	Holding	60.98	60.98	Holding	Kuwait
- *Al-Naser Gardens Real Estate Company*	W.L.L	99	99	Real Estate	Kuwait

Subsidiaries total assets amounted to KD 17,357,129 as of 31 December 2016 (KD 16,889,852 – 2015) and its profits amounted to KD 7,227 (KD 478,580 – 2015).

17.2 Statement of the subsidiaries (significant) not wholly owned by the Group including material non-controlling interests:

Al-Nasser Gardens Holding Company:

Balance of non-controlling interests in this company is KD 4,371,927 as at 31 December 2016 (KD 4,392,347 – 2015) which represent 39.02%. The following is the financial information of Al-Nasser Gardens Holding Company:

	2016	2015
Current assets	3,055,459	3,393,291
Non-current assets	10,920,784	10,188,264
Current liabilities	2,771,919	2,324,898
Equity attributable to the shareholders of the Parent Company	6,832,397	6,864,310
Non-controlling interests	4,371,927	4,392,347

	2016	2015
Revenues	6,239	210,566
Expenses	(58,572)	(55,454)
(Loss)/ profit for the year	(52,333)	155,112
(loss)/ profit for the year attributable to the shareholders of the Parent Company	(31,913)	94,587
(Loss)/ profit for the year attributed to non-controlling interests	(20,420)	60,525

	2016	2015
Net cash flow generated from/ (used in) operating activities	357,546	(109,471)
Net cash flow (used in)/ generated from investing activities	(633,175)	142,524
Net cash flows	(275,629)	33,053

18. Dividends

The General Assembly of the shareholders for 2015 held on 23 March 2016, approved cash dividends of 3% for 2015 and Board of Directors remuneration of KD 45,000 for 2015.

On 28 February 2017, the Board of Directors proposed not to distribute cash dividends to the shareholders for year 2016.

This proposal is subject to the approval of the shareholders at the General Assembly of the Parent Company.

19. Segment distribution

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The following summary describes the operations in each of the Group's reportable segments:

- Investment: Includes the Group's securities trading and investment activities.
- Tourism and transportation: Include hotels management and operating vehicles services.
- Real-estates: Includes trading, development and management of real-estates.

	2016			
	Investment	**Tourism and transportation**	**Real-estate**	**Total**
Segment revenues	192,784	69,464	(2,111)	260,137
Segment expenses	(283,903)	(9,904)	(50,222)	(344,029)
Segment results	(91,119)	59,560	(52,333)	(83,892)
Segment assets	5,112,997	3,380,886	13,976,243	22,470,126
Segment liabilities	153,643	375	112,588	266,606

	2015			
	Investment	**Touristic & transportation**	**Real-estate**	**Total**
Segment revenues	779,020	325,259	208,528	1,312,807
Segment expenses	(338,414)	(1,791)	(53,416)	(393,621)
Segment results	440,606	323,468	155,112	919,186
Segment assets	6,214,241	3,308,297	13,581,555	23,104,093
Segment liabilities	211,879	1,500	5,215	218,594

Geographical distribution of assets and liabilities:

	2016		
	Kuwait	**Syria**	**Total**
Assets	6,853,766	15,616,360	22,470,126
Liabilities	155,693	110,913	266,606

	2015		
	Kuwait	**Syria**	**Total**
Assets	8,227,385	14,876,708	23,104,093
Liabilities	218,594	-	218,594

The Group's assets amounting to KD 15.6 Million as at 31 December 2016 (70% from the Group's Assets) is in Syria, the Group has assessed that the current political and economic events is unlikely to have any material effect on the carrying value of these assets, taking into consideration that these assets are recorded at its fair values or less than its fair value which reflect the impact of the current circumstances. In addition, there are no restrictions on the use of these assets. As disclosed in note (10) to these consolidated financial statements and subsequently to the financial statement date, the Group disposed one of its assets located in Syria and realized a gain of KD 800 thousand approximately before deducting any commissions or expenses belong to the deal.

20. Contingent liabilities and capital commitments

	2016	2015
Capital commitments		
Projects in progress commitments	91,038	-