Palms Agro Production Company K.S.C.P and Subsidiary

Interim Condensed Consolidated Financial Information and Independent Auditor's Review Report for the nine month period ended 30 September 2017 (Unaudited)

Palms Agro Production Company K.S.C.P and Subsidiary

Interim condensed consolidated financial information and independent auditor's review report (unaudited)
For the nine month period ended 30 September 2017

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TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C.P

Independent auditor's report on review of interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Palms Agro Production Company K.S.C.P ("the parent company") and its subsidiary (together referred to as "the group") as at 30 September 2017, the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended. The parent company's management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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

Except as explained in the following paragraph, 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

The group's investment in Al Dhafra Irrigation Systems L.L.C "Al Dhafra", a foreign associate accounted for using the equity method, is carried at KD 675,061 (31 December 2016: KD 838,040 and 30 September 2016: KD 1,130,470) on the interim condensed consolidated statement of financial position. The group's share of Al Dhafra net losses of KD 154,767 (30 September 2016: income of KD 13,972), and the exchange differences arising on translation of foreign operations relating to Al Dhafra of KD 8,212 loss (30 September 2016: KD 7,231 loss) are included in the interim condensed consolidated statement of comprehensive income. We were unable to review the carrying amount of the group's investment in Al Dhafra as at 30 September 2017 and the group's share of Al Dhafra results and other comprehensive income for the period ended 30 September 2017. Had we been able to perform a review of Al Dhafra financial information for the nine-month period ended 30 September 2017, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

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TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C.P

Independent auditor's report on review of interim condensed consolidated financial information (Continued)

Qualified conclusion

Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been the situation described in the "Basis for qualified conclusion" paragraph above, 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 International Accounting Standard 34, 'Interim financial reporting'.

Report on other legal and regulatory requirements

Furthermore, based on our review, nothing has come to our attention indicating that the interim condensed consolidated financial information is not in agreement with the books of accounts of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies' Law No. 1 of 2016 and its executive bylaw during the nine month period ended 30 September 2017 that might have had a material effect on the business of the group or on its financial position.

Ahmed Mohammed Abdulrahman Al-Rasheed
License No. 39 A
PricewaterhouseCoopers (Al-Shatti & Co.)

22 November 2017
Kuwait

Palms Agro Production Company K.S.C.P and Subsidiary

Interim condensed consolidated statement of income (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017	2016	**2017**	2016
Revenue		**900,631**	1,239,541	**2,864,217**	4,789,099
Cost of revenue		**(647,787)**	(887,715)	**(1,976,597)**	(3,481,262)
Gross profit		**252,844**	351,826	**887,620**	1,307,837
Change in fair value of biological assets		**21,940**	1,483	**30,634**	24,872
Selling and marketing expenses	3	**(137,767)**	(145,802)	**(434,279)**	(453,484)
General and administrative expenses	4	**(133,745)**	(118,118)	**(406,384)**	(446,664)
Operating profit		**3,272**	89,389	**77,591**	432,561
Investment income / (loss)	14	**9,844**	(4,149)	**14,168**	(18,022)
Share of results from investment in associate	5	**(56,103)**	4,431	**(154,767)**	13,972
Other income		**3,550**	9,154	**3,550**	21,194
(Loss) / profit for the period before provisions for contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labor Support Tax ("NLST") and Zakat		**(39,437)**	98,825	**(59,458)**	449,705
Contribution to KFAS		**-**	(1,115)	**-**	(4,584)
NLST		**-**	(2,632)	**-**	(12,599)
Zakat		**-**	(1,053)	**-**	(5,040)
(Loss) / profit for the period		**(39,437)**	94,025	**(59,458)**	427,482
Basic and diluted (losses) / earnings per share	11	**(0.75 fils)**	1.80 fils	**(1.14 fils)**	8.17 fils

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P and Subsidiary

Interim condensed consolidated statement of comprehensive income (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	**2017**	2016
(Loss) / profit for the period	**(39,437)**	94,025	**(59,458)**	427,482
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences arising on translation of foreign operations	**(7,932)**	(1,382)	**(8,212)**	(7,231)
Total other comprehensive loss for the period	**(7,932)**	(1,382)	**(8,212)**	(7,231)
Total comprehensive (loss) / income for the period	**(47,369)**	92,643	**(67,670)**	420,251

Palms Agro Production Company K.S.C.P and Subsidiary

Interim condensed consolidated statement of financial position (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Notes	30 September 2017	31 December 2016 (audited)	30 September 2016
Assets				
Non-current assets				
Property and equipment		**975,867**	1,095,724	1,154,400
Investment in associates	5	**708,061**	871,040	1,163,470
Accounts receivable and prepayments	6	**2,040,496**	1,944,355	1,876,161
		3,724,424	3,911,119	4,194,031
Current assets				
Inventories		**1,491,232**	1,520,923	1,698,246
Biological assets		**461,799**	365,456	243,002
Amounts due from related parties	13	**21,172**	185,452	21,172
Accounts receivable and prepayments	6	**2,450,045**	2,664,261	2,379,350
Financial assets at fair value through profit or loss	12	**74,750**	76,757	69,671
Term deposit		**252,532**	-	-
Cash and cash equivalents	7	**1,985,540**	2,582,226	2,341,560
		6,737,070	7,395,075	6,753,001
Total assets		**10,461,494**	11,306,194	10,947,032
EQUITY AND LIABILITIES				
EQUITY				
Share capital		**5,239,900**	5,239,900	5,239,900
Share premium		**225,000**	225,000	225,000
Treasury shares	10	**(3,573)**	(3,573)	(3,573)
Statutory reserve		**1,033,497**	1,033,497	963,614
General reserve		**1,033,497**	1,033,497	963,614
Foreign currency translation reserve		**90,555**	98,767	85,398
Retained earnings		**901,325**	1,483,941	1,405,691
Net equity		**8,520,201**	9,111,029	8,879,644
LIABILITIES				
Non-current liability				
Employees' end of service benefits		**640,699**	680,301	696,300
Current liabilities				
Advances on contracts		**42,937**	81,296	94,990
Accounts payable and accruals	9	**1,257,657**	1,433,568	1,276,098
		1,300,594	1,514,864	1,371,088
Total liabilities		**1,941,293**	2,195,165	2,067,388
Total equity and liabilities		**10,461,494**	11,306,194	10,947,032

Bader Hamad Al-Rabiah
Chairman

Faisal Fares Al-Fares
Vice Chairman and CEO

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated)

	Share capital	Share premium	Treasury shares	Statutory reserve	General reserve	Foreign currency translation reserve	Retained earnings	Total
Balance as of 1 January 2016 (audited)	5,239,900	225,000	(3,573)	963,614	963,614	92,629	1,501,367	8,982,551
Total comprehensive income for the period	-	-	-	-	-	(7,231)	427,482	420,251
Dividends distributed (Note 8)	-	-	-	-	-	-	(523,158)	(523,158)
Balance as of 30 September 2016	5,239,900	225,000	(3,573)	963,614	963,614	85,398	1,405,691	8,879,644
Balance as of 1 January 2017 (audited)	**5,239,900**	**225,000**	**(3,573)**	**1,033,497**	**1,033,497**	**98,767**	**1,483,941**	**9,111,029**
Total comprehensive loss for the period	-	-	-	-	-	(8,212)	(59,458)	(67,670)
Dividends distributed (Note 8)	-	-	-	-	-	-	(523,158)	(523,158)
Balance as of 30 September 2017	**5,239,900**	**225,000**	**(3,573)**	**1,033,497**	**1,033,497**	**90,555**	**901,325**	**8,520,201**

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Palms Agro Production Company K.S.C.P and Subsidiary

Interim condensed consolidated statement of cash flows (unaudited)
(All amounts in Kuwaiti Dinars unless otherwise stated

	Notes	Nine months ended 30 September 2017	2016
Operating activities			
(Loss) / profit for the period		**(59,458)**	427,482
Adjustments for:			
Depreciation		**156,719**	195,349
Murabaha income	14	**(16,175)**	(9,138)
Gain on disposal of property and equipment		**(3,550)**	(15,290)
Recovery of provision for impairment of receivables	6	**-**	(5,500)
Provision for obsolete and slow moving inventories and biological assets		**20,100**	6,801
Share of results from investment in associate	5	**154,767**	(13,972)
Change in fair value of financial assets at fair value through profit or loss	14	**2,007**	27,160
Employees' end of service benefits		**66,897**	63,912
Operating profits before changes in working capital		**321,307**	676,804
Accounts receivable and prepayments		**118,075**	1,467,493
Inventories		**9,747**	(229,127)
Biological assets		**(96,499)**	19,899
Accounts payables and accruals		**(195,850)**	(542,643)
Advances on contracts		**(38,359)**	(71,903)
Employees' end of service benefits paid		**(106,499)**	(34,147)
Net cash generated from operating activities		**11,922**	1,286,376
Investing activities			
Purchase of property and equipment		**(36,862)**	(101,235)
Proceeds from disposal of property and equipment		**3,550**	15,290
Amounts due from related parties		**164,280**	(1,000)
Term deposits		**(252,532)**	-
Murabaha income received		**16,175**	9,138
Net cash used in investing activities		**(105,389)**	(77,807)
Financing activities			
Cash dividends paid		**(503,219)**	(508,929)
Net cash used in financing activities		**(503,219)**	(508,929)
(Decrease) / increase in cash and cash equivalents		**(596,686)**	699,640
Cash and cash equivalents at beginning of the period		**2,582,226**	1,641,920
Cash and cash equivalents at end of the period	7	**1,985,540**	2,341,560

The accompanying notes on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

1 GENERAL INFORMATION

Palms Agro Production Company K.S.C.P (the parent company) is a Kuwaiti shareholding company registered and incorporated in Kuwait on 25 May 1982.

According to the decision No. 69 of 2017 dated 14 May 2017 of the Capital Markets Authority, the Authority transferred the listing of parent company's shares from the main market to the parallel market on the Kuwait Stock Exchange as of 16 May 2017.

The parent company's main activities are import and export business of agricultural supplies, the execution of agricultural contracting work, establishment and management all types of nurseries and farms, reclamation and development of agricultural land, landscape gardening and ornamentation of public places and cities, utilizing of financial surplus available to the parent company through investing it in portfolios managed by specialized companies and entities, import and circulation of veterinary medicines and concluding agency agreements, inaugurating and operation of veterinary clinics and centers and practicing the professional of veterinary medicine, trading in the Kuwait stock exchange, breeding and trading of chicken and eggs and execution of construction contracts work.

The accompanying interim condensed consolidated financial information of Palms Agro Production Company K.S.C.P ("the parent company") and its subsidiary (together referred to as "the group") include the interim condensed financial information of Palms Trees Company K.S.C. (Closed) - fully owned subsidiary of the parent company which is operating in producing and packing of black honey; however the subsidiary's licence was suspended on 31 December 2006 and the subsidiary is not having any operations since then.

The parent company is a subsidiary of Bayan Holding Company (K.S.C.) ("ultimate parent company") with a percentage of 84.11%.

The registered head office of the parent company is at P.O. Box 1976, Safat 13020, Kuwait.

The accompanying interim condensed consolidated financial information was authorised for issue in accordance with a resolution of the board of directors on 15 November 2017.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2016. 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 month period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For further information, refer to the annual audited consolidated financial statements for the year ended 31 December 2016.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the group which are effective for annual reporting period starting from 1 January 2017 and did not result in any material impact on the accounting policies, financial position or performance of the group.

2.3 Judgements and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2016.

3 SELLING AND MARKETING EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	**2017**	2016
Salaries and related costs	**107,203**	115,730	**344,249**	357,242
Depreciation	**25,525**	29,421	**80,709**	87,113
Others	**5,039**	651	**9,321**	9,129
	137,767	145,802	**434,279**	453,484

4 GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	**2017**	2016
Salaries and related costs	**58,173**	64,917	**183,013**	185,104
Depreciation	**2,580**	3,087	**8,352**	9,419
Rent	**5,205**	3,911	**13,309**	44,108
Maintenance and repair	**10,367**	7,674	**26,930**	28,134
Electricity and water	**7,465**	7,434	**23,210**	22,933
Insurance	**3,798**	3,808	**12,489**	14,443
Recovery of provision of receivables	**-**	(5,500)	**-**	(5,500)
Provision for obsolete and slow moving inventories and biological assets	**8,450**	2,500	**20,100**	6,801
Others	**37,707**	30,287	**118,981**	141,222
	133,745	118,118	**406,384**	446,664

5 INVESTMENT IN ASSOCIATES

The parent company has the following investment in associates:

Name	County of incorporation	Equity Interest 30 September 2017	31 December 2016 (Audited)	30 September 2016
Al Dhafra Irrigation Systems (L.L.C.)	United Arab Emirates	**33%**	33%	33%
Durra Al- Nakeel Real Estate Company W.L.L	Kuwait	**33%**	33%	33%

The movement in the carrying amount of investment in associates is as follows:

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Opening balances	**871,040**	1,156,729	1,156,729
Share of results of associates	**(154,767)**	34,252	13,972
Declared dividends	**-**	(326,079)	-
Foreign currency translation adjustments	**(8,212)**	6,138	(7,231)
Ending balances	**708,061**	871,040	1,163,470

6 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Non-current			
Retentions receivable	**2,040,496**	1,944,355	1,876,161
Current			
Trade receivables – gross	**1,718,150**	1,863,074	1,763,836
Less: provision for impairment of trade receivables	**(45,625)**	(45,625)	(45,625)
Trade receivables – net	**1,672,525**	1,817,449	1,718,211
Accrued income	**592,670**	606,681	420,197
Retentions receivable	**113,981**	113,981	113,981
Prepaid expenses	**43,868**	9,101	29,031
Advance payments	**5,237**	59,741	56,415
Other receivables	**21,764**	57,308	41,515
	2,450,045	2,664,261	2,379,350

6 ACCOUNTS RECEIVABLE AND PREPAYMENTS (Continued)

The movement of the provision for impairment of trade receivables is as follows:

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Opening balance	**45,625**	51,582	51,582
Provision write off	**-**	(457)	(457)
Recovery of provision for impairment of receivables	**-**	(5,500)	(5,500)
	45,625	45,625	45,625

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statements of financial position and cash flows include the following:

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Bank balances	**1,072,804**	705,462	469,179
Cash on hand	**13,847**	13,025	13,025
Deposits with original maturity of less than 3 months	**891,441**	1,856,210	1,851,803
Cash held at portfolio	**7,448**	7,529	7,553
	1,985,540	2,582,226	2,341,560

Fixed deposits represent deposits with local financial institutions maturing within three months from date of placement with an average rate of profit of 1.2672% (31 December 2016: 1.0357% and 30 September 2016: 0.973%).

8 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of the parent company's shareholders held on 30 May 2017 approved the consolidated financial statements of the group for the year ended 31 December 2016 and the distribution of cash dividends of 10 fils per share for the year ended 31 December 2016 (31 December 2015: cash dividend of 10 fils per share).

9 ACCOUNTS PAYABLE AND ACCRUALS

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Trade payables	**370,976**	398,937	700,260
Retention payables	**159,030**	180,728	-
Other payables	**92,907**	116,120	176,140
Accrued expenses	**425,894**	528,872	201,579
Dividends payable	**208,850**	188,911	198,119
Board of directors remuneration	**-**	20,000	-
	1,257,657	1,433,568	1,276,098

10 TREASURY SHARES

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Number of shares	**83,200**	83,200	83,200
Percentage of issued shares	**0.16%**	0.16%	0.16%
Cost (KD)	**3,573**	3,573	3,573
Market Value (KD)	**7,488**	7,904	7,987

11 BASIC AND DILUTED (LOSSES) / EARNINGS PER SHARE

Basic and diluted (losses) / earnings per share are calculated by dividing the (loss) / profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2017	2016	**2017**	2016
(Loss) / profit for the period (KD)	**(39,437)**	94,025	**(59,458)**	427,482
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	**52,315,800**	52,315,800	**52,315,800**	52,315,800
Basic and diluted (losses) / earnings per share	**(0.75 fils)**	1.80 fils	**(1.14 fils)**	8.17 fils

There are no potential dilutive shares.

12 FAIR VALUE ESTIMATION

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

1 Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial instruments that are measured at fair value on a recurring basis.

	Level 1	Total
30 September 2017		
Financial assets at fair value through profit or loss		
Quoted securities	**74,750**	**74,750**
31 December 2016		
Financial assets at fair value through profit or loss		
Quoted securities	76,757	76,757
30 September 2016		
Financial assets at fair value through profit or loss		
Quoted securities	69,671	69,671

12 FAIR VALUE ESTIMATION (Continued)

(i) Financial instruments in level 1

The fair value of financial instruments carried at fair value on recurring basis traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the last bid price.

The fair value of financial assets and liabilities measured at amortised cost approximates their carrying amounts.

13 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of the shareholders of the parent company who are represented in the board of directors, major shareholders and the companies in which any of its members is in the same time a board member in the parent company's board of directors, associated companies, directors and key management personnel of the parent company, and entities controlled, jointly controlled or significantly influenced by such parties. In the ordinary course of business, the group has carried some transactions during the period with related parties. The transactions and balances which are included in the interim condensed consolidated financial information are as follows:

	30 September 2017	31 December 2016 (Audited)	30 September 2016
Balances included in the interim condensed consolidated statement of financial position			
Amounts due from associate	**12,261**	176,541	12,261
Amounts due from the Ultimate Parent Company	**8,911**	8,911	8,911
Total	**21,172**	185,452	21,172
Financial assets at fair value through profit or loss - Al-Salbookh Trading Company K.S.C.P.	**74,750**	76,757	69,671

	Three months ended 30 September		**Nine months ended 30 September**	
Key management compensation	**2017**	2016	**2017**	2016
Short-term benefits	**12,000**	12,000	**36,000**	36,000
End of service benefits	**1,730**	1,730	**5,190**	5,190
	13,730	13,730	**41,190**	41,190

14 INVESTMENT INCOME / (LOSS)

	Three months ended 30 September		**Nine months ended 30 September**	
	2017	2016	**2017**	2016
Murabaha Income	**4,765**	4,117	**16,175**	9,138
Change in fair value of financial assets at fair value through profit or loss	**5,079**	(8,266)	**(2,007)**	(27,160)
	9,844	(4,149)	**14,168**	(18,022)

15 SEGMENT INFORMATION

The group activities are organised in three major segments in the internal reporting system as follows:

- Commercial segment: includes the production and sale of nurseries and ornamental plants.
- Projects segment; represented in providing gardening and maintenance services.
- Investment segment.

	30 September 2017			
	Commercial segment	**Projects segment**	**Investment segment**	**Total**
Segment revenue	**1,732,268**	**1,166,133**	**(140,599)**	**2,757,802**
Segment expense	**1,689,362**	**1,127,898**	**-**	**2,817,260**
Segment profit / (loss)	**42,906**	**38,235**	**(140,599)**	**(59,458)**
Depreciation	**65,096**	**91,623**	**-**	**156,719**
Purchase of property and equipment	**20,665**	**16,197**	**-**	**36,862**

	30 September 2016			
	Commercial segment	Projects segment	Investment segment	Total
Segment revenue	2,072,777	2,767,888	(4,050)	4,836,615
Segment expense	1,961,509	2,425,401	-	4,386,910
Segment profit / (loss)	111,268	342,487	(4,050)	449,705
Depreciation	133,284	62,065	-	195,349
Purchase of property and equipment	86,751	14,484	-	101,235

	Nine months ended 30 September	
	2017	2016
Adjustments		
Segment (loss) / profit	**(59,458)**	449,705
Unallocated costs	**-**	(22,223)
Segment profit	**(59,458)**	427,482

15 SEGMENT INFORMATION (Continued)

Segmental distribution of assets and liabilities

	Commercial segment	Projects segment	Investment segment	Total
Total segment assets				
30 September 2017	**4,643,088**	**3,863,003**	**1,955,403**	**10,461,494**
31 December 2016	4,447,812	3,861,394	2,996,988	11,306,194
30 September 2016	3,511,235	4,322,128	3,113,669	10,947,032

	Commercial segment	Projects segment	Investment segment	Total
Total segment liabilities				
30 September 2017	**691,094**	**1,250,199**	**-**	**1,941,293**
31 December 2016	904,615	1,290,550	-	2,195,165
30 September 2016	849,581	1,217,807	-	2,067,388

16 CONTINGENCES

The parent company had letters of guarantee amounting to KD 3,562,947 (31 December 2016: 3,805,841 and 30 September 2016: 3,839,200).