Ekttitab Holding Company

K.S.C. - Public
and its subsidiary
Kuwait

Consolidated financial statements
for the financial year ended December 31, 2015
with
Independent auditors' report

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Contents

Rödl
Middle East
Burgan - International Accountants
Ali Al Hassawi & Partners
P.O. Box: 22351 Safat 13084 Kuwait
Sharq - Dasman Complex - Block 2 - 9 Floor
Tel 22464574-6 /22426862-3 Fax: 22414956
Email: info-kuwait@rodlme.com
www.rodlme.com

HLB Kuwaiti Accountant Auditing
Certified Public Accountants, Consultants . Business Advisors
Ahmed Al Jaber Street, Al-Matrouk Tower, 2nd Floor,
P.O. Box 26888, Safat 13129, Kuwait.
Fax: 22403205 - Tel.: 22449454
a member of HLB international.
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Independent auditors' report

The shareholders,
Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ekttitab Holding Company - K.S.C. - Public – Kuwait "the Parent company" - and its subsidiary (together referred to as "the Group") – which comprise the consolidated statement of financial position as of December 31, 2015 and the related statements of profit or loss, consolidated comprehensive profit or loss, consolidated changes in equity and consolidated cash flows for the financial year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

"The Parent company's" management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors' considers internal control relevant to the preparation and fair presentation of the consolidated financial statements 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 Parent company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion on the consolidated financial statements.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of "the Group" as of December 31, 2015 and its financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements
Furthermore, in our opinion, proper books of account have been kept by "the Parent company", physical counting was carried out in accordance with recognized practices, the consolidated financial statements together with the financial contents of the report of the Board of Directors of the parent company are in accordance therewith. we have obtained the information and explanations that we required for the purpose of our audit and the consolidated financial statements incorporate the information that is required by the Companies' Law no. 1 of year 2016 and related Executive Regulation (note 3/1), law no. 7 of year 2010 in respect of the establishment of Capital Market Authority and the organization of the securities activity and related Executive Regulation as amended and the Parent company's memorandum and articles of association. According to the information available to us, there were no violations have occurred of either the Companies' Law no. 1 of year 2016, and related Executive Regulation, law no. 7 of 2010 in respect of the establishment of Capital Market Authority, the organization of the securities activity and related Executive Regulations or of the Parent company's memorandum and articles of association during the year ended December 31, 2015 that might have had a material effect on the Parent company's business or its consolidated financial position.

Ali Abdul Rahman Al Hasawi
Licence No. 30 (A)
Rödl Middle East
Burgan - International Accountants

Adel Al- Sanea
Auditors Registry No. 86 Category (A)
Kuwaiti Accountant Auditing
A member of H.L.B International

March 17, 2016
Kuwait

Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Consolidated statement of financial position as of December 31, 2015
"All amounts are in Kuwaiti Dinar"

	Note	2015	2014
Assets			
Cash and cash equivalents	5	**402,505**	1,259,762
Investments at fair value – statement of income	6	**4,034,978**	3,985,306
Investments in an associate	7	**7,041,157**	11,507,636
Available for sale investments	8	**6,636,930**	11,896,829
Receivables and other debit balances		**366,883**	97,766
Due from related parties	14	**4,748,407**	1,371,126
Property and equipment		**2,174**	2,369
Total assets		**23,233,034**	30,120,794
Liabilities and equity			
Liabilities			
Murabaha and Tawaruq Contract payable	9	-	1,529,307
Payables and other credit balances	10	**463,986**	860,129
Due to related parties	14	**155,448**	85,854
Total liabilities		**619,434**	2,475,290
Equity			
Share capital	11	**31,862,423**	31,862,423
Statutory reserve		**94,506**	94,506
Change in fair value reserve		**(2,756,645)**	(940,774)
"The Group" share in an associate reserves		**191,736**	-
Accumulated losses		**(6,731,178)**	(3,332,669)
Total equity attributable to the shareholders of "the Parent"		**22,660,842**	27,683,486
Non-controlling interests		**(47,242)**	(37,982)
Total equity		**22,613,600**	27,645,504
Total liabilities and equity		**23,233,034**	30,120,794

Dr./ Sarah Ali Al-Shamali
Vice Chairman

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

Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Consolidated statement of profit or loss for the year ended December 31, 2015
"All amounts are in Kuwaiti Dinar"

	Note	2015	2014
Revenue			
Losses on investments	12	**(3,347,046)**	(2,714,974)
Net revenue of contracts		**172,461**	10,569
Gain from foreign currency exchange		-	66,171
Revenues from settlement of Murabaha payable		-	429,279
"The Group" share in results of associate		**14,483**	-
Loss from sale of share in an associate		**(8,755)**	-
Provision no longer required		**290,727**	-
Other income		**2,525**	15,000
Total losses		**(2,875,605)**	(2,193,955)
Expenses and other charges			
General and administrative expenses		**(524,971)**	(401,731)
Total expenses and other charges		**(524,971)**	(401,731)
Net loss for the year before KFAS, National Labour Support Tax and Zakat		**(3,400,576)**	(2,595,686)
Net loss for the year		**(3,400,576)**	(2,595,686)
Attributable to:			
Shareholders of "the Parent"		**(3,398,509)**	(2,570,332)
Non-controlling interests		**(2,067)**	(25,354)
Net loss for the year		**(3,400,576)**	(2,595,686)
Loss per share/(fils)	13	**(10.67)**	(8.07)

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

Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Consolidated statement of comprehensive profit or loss for the year ended December 31, 2015
"All amounts are in Kuwaiti Dinar"

	2015	2014
Net loss for the year	**(3,400,576)**	(2,595,686)
"The Group" share in an associate reserves	**199,206**	-
Change in fair value of available for sale investments	**(2,625,250)**	(584,365)
Transfer to the statement of profit or loss resulted from sale of available for sale investments	**769,716**	1,367,267
Transfer to the statement of profit or loss resulted from impairment in value	**25,000**	1,088,329
Total comprehensive loss for the year	**(5,031,904)**	(724,455)
Attributable to:		
Shareholders of "the Parent"	**(5,022,644)**	(691,770)
Non-controlling interests	**(9,260)**	(32,685)
Total comprehensive loss for the year	**(5,031,904)**	(724,455)

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

Exhibit-D

Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Consolidated statement of changes in equity for the year ended December 31, 2015
"All amounts are in Kuwaiti Dinar"

	Equity attributable to the shareholders of "the Parent"							
	Share capital	Statutory reserve	Change in fair value reserve	"The Group" share in an associate reserves	Accumulated losses	Total	Non-controlling interests	Total equity
Balance at January 1, 2014	31,862,423	94,506	(2,819,336)	-	(762,337)	28,375,256	(4,693)	28,370,563
Net loss for the year	-	-	-	-	(2,570,332)	(2,570,332)	(25,354)	(2,595,686)
Other comprehensive income for the year	-	-	1,878,562		-	1,878,562	(7,331)	1,871,231
Total comprehensive loss for the year	-	-	1,878,562	-	(2,570,332)	(691,770)	(32,685)	(724,455)
Net movement on non-controlling interests	-	-	-	-	-	-	(604)	(604)
Balance at December 31, 2014	31,862,423	94,506	(940,774)	-	(3,332,669)	27,683,486	(37,982)	27,645,504
Balance at January 1, 2015	31,862,423	94,506	(940,774)	-	(3,332,669)	27,683,486	(37,982)	27,645,504
Net loss for the year	-	-	-	-	(3,398,509)	(3,398,509)	(2,067)	(3,400,576)
Other comprehensive loss for the year	-	-	(1,815,871)	191,736	-	(1,624,135)	(7,193)	(1,631,328)
Total comprehensive loss for the year	-	-	(1,815,871)	191,736	(3,398,509)	(5,022,644)	(9,260)	(5,031,904)
Balance at December 31, 2015	**31,862,423**	**94,506**	**(2,756,645)**	**191,736**	**(6,731,178)**	**22,660,842**	**(47,242)**	**22,613,600**

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

Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Consolidated statement of cash flows for the year ended December 31, 2015
"All amounts are in Kuwaiti Dinar"

	Note	2015	2014
Cash flows from operating activities			
Net loss for the year		**(3,400,576)**	(2,595,686)
Adjustments:			
Depreciation of property and equipment		**2,617**	1,319
Losses on investments		**3,347,046**	2,714,974
Revenues from settlement of Murabaha payable		**-**	(429,279)
Operating loss before changes in working capital items		**(50,913)**	(308,672)
Investments at fair value – statement of income		**(476,907)**	506,296
Receivables and other debit balances		**(269,117)**	16,270
Related parties		**2,672,729**	1,786,121
Payables and other credit balances		**(396,143)**	(177,221)
Net cash generated from operating activities		**1,479,649**	1,822,794
Cash flows from investing activities			
Available for sale investments		**(2,418,271)**	(2,675,920)
Investments in associate		**48,486**	-
Cash dividends received		**35,301**	1,429
Paid to purchase property and equipment		**(2,422)**	(1,707)
Net cash used in investing activities		**(2,336,906)**	(2,676,198)
Cash flows from financing activities			
Dividends paid		**-**	(7,063)
Murabaha and Tawaruq contract payable		**-**	(100,000)
Net cash used in financing activities		**-**	(107,063)
Net decrease in cash and cash equivalents		**(857,257)**	(960,467)
Cash and cash equivalents at beginning of the year		**1,259,762**	2,220,229
Cash and cash equivalents at end of the year	5	402,505	1,259,762

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

Ektitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Notes to the consolidated financial statements for the year ended December 31, 2015
"All amounts are in Kuwaiti Dinar unless otherwise stated"

1- Company's brief

Ekttitab Holding Company "the Parent" - K.S.C. - Public - established in 1999. The Company is registered in the Commercial Register under No. 105414, and its shares listed in Kuwait Stock Exchange at December 19, 2005.

The Company's activities are represented in carrying out all transactions related to establishing and acquiring companies with limited liability, Kuwaiti shareholding and foreign companies, borrowings and acting as grantor for such companies.

The number of the company's employees was 10 employees as of December 31, 2015 (2014: 10 employees).

The Company's office is located at Jassim Al Asfour Building – Kuwait city, P. O. Box 2799 Safat 13028 State of Kuwait.

The parent company operates its activities according to Islamic sharia regulations.

The Share holder's General Assembly approved these consolidated financial statements for the financial year then ended December 31, 2015 for issue on March 17, 2016.

The consolidated financial statements are subject to the approval of the share holder's General Assembly that has the ability to adjust the consolidated financial statements after issuing.

2- Application of new and revised International Financial Reporting Standards (IFRSs)

2/1) Amendments to IFRSs those are mandatorily effective for the current financial year:
In the current year, the following amendments to IFRSs issued by the International Accounting Standards Board (IASB) are mandatorily effective for an accounting period beginning on or after January 1, 2015:

- **Amendments to IAS 19 "Defined Benefit Plans - Employee Contributions"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  The amendments to IAS 19 to be applied retrospectively, which clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. The amendment has no effect on the consolidated financial statements of the Group.

- **Amendments to IFRS 2 "Share-based payment"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  The amendment to be applied prospectively, which amended the definitions of vesting condition and market condition and provided definitions for performance condition and service condition, which were previously part of the definition of vesting condition. The amendment has no effect on the consolidated financial statements of the Group.

- **Amendments to IFRS 3 "Business Combinations"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  The amendments to be applied prospectively, which clarified contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date. Also, excludes from its scope the accounting for the formation of a joint arrangement in the consolidated financial statements of the joint arrangement itself. The amendment has no effect on the consolidated financial statements of the Group.

- **Amendments to IFRS 13 "Fair Value Measurement"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

  These amendments are to the basis of conclusions only, with consequential amendments to the bases of conclusions of other standards.
  Also, clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" or IFRS 9 "Financial Instruments", regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 "Financial Instruments: Presentation".
  These amendments have no effect on the consolidated financial statements of the Group.

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  Clarifies that when an item of property, plant and equipment or an intangible asset is revalued, the gross carrying amount to be adjusted in a manner that is consistent with the revaluation of the carrying amount. The amendment has no effect on the consolidated financial statements of the Group.

- **Amendments to IAS 24 "Related Party Disclosures"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  Clarifies that an entity providing key management personnel services to the reporting entity or to the Parent of the reporting entity is considered a related party of the reporting entity. This amendment is not relevant for the Group as it does not receive any management services from other entities.

- **Amendments to IAS 40 "Investment Property"**
  (Effective for annual periods beginning on or after July 1, 2014 with earlier application permitted).
  Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in IFRS 3 "Business Combinations" and investment property as defined in IAS 40 "Investment Property" requires the separate application of both standards independently of each other. The amendment has no effect on the consolidated financial statements of the Group.

2/2) ***New and revised IFRSs in issue but not yet effective:***
The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- **IFRS 9 "Financial Instruments"**
  (Effective for annual periods beginning on or after January 1, 2018 with earlier application permitted).
  IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting.

  The final version of IFRS 9 was issued in July 2014, which adds a new expected loss impairment model and limited amendments to the classification and measurement requirements by introducing the "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test. The final version supersedes all previous versions of IFRS 9 and replaces IAS 39. The Group is in the process to quantify the effect on the consolidated financial statements.

- **IFRS 14 "Regulatory Deferral Accounts"**
  (Effective for annual periods beginning on or after January 1, 2016)
  This standard is applied by first-time adaptors of IFRS. The standard is designed as a limited scope standard to provide short-term solution for rate-regulated entities that have not yet adopted IFRS.

- **IFRS 15 "Revenue from Contracts with Customers"**
  (Effective for annual periods beginning on or after January 1, 2018 with earlier application permitted).
  In May 2014, IFRS 15 was issued which 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 related Interpretations when it becomes effective. The standard introduces a five-step approach for revenue recognition to be applied to all contracts with customers.

- **Amendments to IFRS 11 "Accounting for Acquisitions of Interest in Joint Operations"**
  (Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted).
  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 "Business Combinations". A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

- **Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"**
  (Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted).
  The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.

- **Amendments to IAS 27 "Separate Financial Statements"**
  (Effective for annual periods beginning on or after January 1, 2016 with earlier application permitted).
  The amendments allowed an entity to account for its investment in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost
- In accordance with IFRS 9 or
- Using the equity method

Also, clarified that when the parent ceases or becomes an investment entity, it should account for the change from the date when the change in status occurs.

The management anticipates that the new standards will be adopted in the Group's consolidated financial statements for the period beginning on or after the effective date of the pronouncement, and those new standards that have been issued but are not relevant to the Group's operations are expected not to have a material impact on the Group's consolidated financial statements.

3- Significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

3/1) Basis of preparation

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Companies' Law requirements in the State of Kuwait.
- Companies law no. 1 of year 2016 ("new law") was issued on January 24, 2016 and published in the official gazette on February 1, 2016 which has cancelled the companies law no. 25 of year 2012, as amended ("previous law"). The new law shall be applied as of November 26, 2012 and the executive regulation of previous law will continue until the issuance of an executive regulation for the new law within two months of publishing in the official gazette
- The accounting policies used in preparation of these consolidated financial statements are consistent with those used in preparation of the consolidated financial statements for the previous year.

3/2) Accounting convention

- The consolidated financial statements are prepared under the historical cost following the revised accrual basis of return of financial assets valued at fair value as described in the detailed policies and other explanatory notes.
- The consolidated financial statements are presented in Kuwaiti Dinar.

3/3) Basis of consolidation

- The Group consolidates the financial statements of the Parent Company and its subsidiary until December 31, 2015) (Note – 4) the date of financial statements for all subsidiaries company in December 31, 2014.
- "the Group" controls an investee if and only if "the Group" has:
- • Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- • Exposure, or rights, to variable returns from its involvement with the investee, and
- • The ability to use its power over the investee to affect its returns.
- • When "the Group" has less than a majority of the voting or similar rights of an investee, "the Group" considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- • The contractual arrangement with the other vote holders of the investee;
- • Rights arising from other contractual arrangements;
- • Voting rights and potential voting rights;
- The financial statements of subsidiaries are included in the consolidated financial statements on a line-by-line basis, from the date on which control is transferred to "the Group" until the date that control ceases.
- Non-controlling interest in an acquiree is stated at the non-controlling interest's proportionate share in the recognized amounts of the acquiree's identifiable net assets at the acquisition date and the non-controlling interest's share of changes in the equity since the date of the combination. Total comprehensive income is attributed to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Changes in "the Group's" ownership interest in a subsidiary that do not result in loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiary and any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Parent Company's shareholders.

- Non-controlling interest is presented separately in the consolidated statements of financial position and profit or loss. The non-controlling interests are classified as a financial liability to the extent there is an obligation to deliver cash or another financial asset to settle the non-controlling interest.
- Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances based on latest audited financial statements of subsidiaries. Intra group balances, transactions, income, expenses and dividends are eliminated in full. Profits and losses resulting from intra group transactions that are recognized in assets are eliminated in full.

– If a parent loses control of a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost as well as related non-controlling interests.
– Any investment retained is recognized at fair value at the date when control is lost. Any resulting difference along with amounts previously directly recognized in equity is transferred to the consolidated statement of profit or loss.

3/4) Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with international Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge, the actual results may differ from those estimates.

3/5) Recognition and de-recognition of financial assets and liabilities

A financial assets or a financial liability is recognized when "the Group" become a party to the contractual provisions of the instrument. A financial asset is de-recognized either when the contractual rights to cash flows from the financial asset expire, "the Group" has transferred substantially all the risks and rewards of ownership or when it has neither transferred nor retained substantially all the risks and rewards, but no longer has control over the asset or a proportion of the asset. A financial liability is de-recognized when the obligation specified in the contract is discharged, cancelled or expired.

3/6) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and at banks and short-term bank deposits with a maturity date not exceeding three months from the date of deposit.

3/7) Trade receivables

Account receivables are recognized at its nominal value less the provision for doubtful debts. The management estimates this provision based on reviewing the customers periodically on individual basis, the current economic circumstances, the previous experience and other related factors.

3/8) Investment in an associate

An associate is the company over which "the Group" exerts significant influence. Investment in associates is accounted under the equity method.
Under the equity method, the Investment in an associate is initially recorded at cost and adjusted with changes after acquisition in the group's share of the associate's equity. The goodwill related to acquire an associate is included in the book value of the investment and not amortized.

"the Group" recognizes its share in profits or losses of an associate realized in the consolidated statement of income from the date that the influence started effectively until the date that influences effectively ended .Adjustments on the carrying amount may also be necessary to reflect the changes in the group's share in the associate arising from changes in the associate's equity. "the Group" share as a result of these changes is recognized in the equity.
Unrealized gains from transactions with associates are eliminated to the extent of the group's share in the associate, unrealized losses are eliminated unless the transaction provides evidence of impairment in value of the asset transferred. An assessment for impairment in investments in associates is performed when there is an indication that the asset has been impaired, or that impairment losses recognized in prior years no longer exist.

3/9) Intangible assets

Intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.
Intangible assets are amortized on a straight - line basis over their estimated useful lifes.

Goodwill represents the difference cost of an acquisition over the fair value of "the Group" 's share of the identifiable net assets acquired in business combination or the associates at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets, Goodwill on acquisition of associates is included in investments in associates. Goodwill is allocated to each cash generating unit and for the purpose of impairment testing. Goodwill is testing at least annually for impairment at cost less accumulated impairment losses.

Gain and losses on disposal of a subsidiary or part of the subsidiary include the carrying amount of goodwill relating to the subsidiary or the portion sold. For the purpose of determining impairment, assets are consolidated at the lowest level has can determine cash flows independently of that group of assets. If there is an indication that the carrying value of intangible assets is greater than its recoverable amount, it is written down to its recoverable value and the resultant impairment loss is recognized in the consolidated statement of profit or loss. And that the resultant relting to goodwill cannot be reserved in a subsequent periods.

3/10) Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The recoverable value of property and equipment are reviewed by the management at the consolidated financial position date. If the recoverable value of property and equipment decreased from the book value then the book value is written down to the recoverable value. If the useful lives are different from their estimated lives then the useful lives are adjusted from the beginning of the year in which the change occurred without going into retroactive periods.

Gains or losses on disposal of property and equipment in the statement of comprehensive income by the difference between the net realizable value and net book value.

Property and equipment are depreciated on straight line over there estimated useful live which is Five years.

3/11) Impairment of non-financial assets

The carrying amounts of "the Group's" non financial assets are reviewed at the consolidated financial position date to determine whether there is any objective evidence of impairment. If any such evidence exists, the assets' recoverable amount is estimated and an impairment loss is recognized in the consolidated statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount. Reversal of impairment loss recognized in prior years are recorded as revenue, when there is an indication that the impairment losses recognized no longer exist or has decreased.

3/12) Account payables

Account payables are stated at their nominal value.

3/13) Provision for end of service indemnity

Provision for end of service indemnity has been made as per the Labour Law in the private sector and signed contracts on the assumption of ending the services of all staff at the consolidated financial position date. This obligation is not funded. The management expects that based on this method of calculation a reasonable estimate is made of the obligation of the Group towards employees indemnity for previous and current periods.

3/14) Revenue recognition

- Services income is recognized when services are rendered to the client or on the basis of the conditions set out in the agreement for each client.
- Gain on sale of investments included the difference between the net cash proceeds from sales and the carrying amount of the investment sold.
- Recognizes included by dividend income from investments when the right to receive.
- Other categories of income are recognized when earned at the time the related services are rendered on the basis of the terms of the contractual agreement of each activity.

3/15) Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of a past event , it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each consolidated financial position date and adjusted to reflect the current best estimate.

3/16) Finance charges

Interest on borrowings is calculated on the accrual basis and is recognized in the consolidated statement of profit or loss in the period in which it is incurred.

3/17) Foreign currencies

The functional currency of the parent company is the Kuwaiti Dinar ("KD") and accordingly, the consolidated financial statements are presented in KD. Transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of the transaction. on-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in the consolidated equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in the consolidated equity.

The assets and liabilities of the Group's foreign operations are expressed in KD using exchange rates prevailing at the consolidated financial position date. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising (If any), are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognized in the consolidated statement of profit or loss in the period in which the foreign operation disposed.

3/18) Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but disclosed when an inflow of economic benefits is probable.

4- Subsidiary

The consolidated financial statements include the financial statements of "the Parent" and its subsidiary and its details are as follows:

			Ownership percentage%	
Company name	**Legal form**	**Country**	**2015**	2014
Petro for Integrated Business Holding Company	K.S.C. (Holding)	State of Kuwait	**96.25%**	96.25%

- The financial statements of the subsidiary have been consolidated as of December 31, 2015 according to audited financial statements as of December 31, 2015.

- The subsidiary Petro for Integrated Business Holding Company has a subsidiary and its details are as follows:

			Ownership percentage%	
Company name	**Company activity**	**Country**	**2015**	2014
Educational Ararbic Pen – K.S.C (closed)	Educational services	Kuwait	**%98**	%98

The financial statements of the subsidiary have been consolidated according to audited financial statements as of December 31, 2015.

5- Cash and cash equivalents

	2015	2014
Cash on hand	**1,016**	-
Cash at banks and financial institutions	**250,985**	216,886
Cash at investments portfolios and Kuwait Clearing Company	**150,504**	1,042,876
	402,505	1,259,762

6- Investments at fair value – statement of income

	2015	2014
Investments held for trading	**1,401,137**	468,740
Investments at fair value through statement of income at acquisition	**2,633,841**	3,516,566
	4,034,978	3,985,306

Investments in local shares – quoted	**1,401,137**	468,740
Investments in local shares – unquoted	**2,485,912**	3,344,042
Investments in local funds – unquoted	**147,929**	172,524
	4,034,978	3,985,306

- The fair value of the quoted investments is determined based on the last bid price. The fair value of unquoted investments is determined based on other technical assessment methods as of December 31, 2015. The fair value of the unquoted investment in funds is determined based on the net assets value of those funds.

- Investments at fair value - statement of income- include investments with an amount of KD 404,762 (2014: KD 2,543,029) mortgaged against Murabaha payables in favor of a related party and retained investments with an amount of KD 199,800 meanwhile legal procedures are in progress to release such retention (Note - 9).

7- Investment in associate

The investment in associate item stated as follow:

Company name	Ownership percentage%		Value (KD)	
	2015	2014	**2015**	2014
Sarh Capital for Real Estate company	**%20.56**	%34.62	**7,041,157**	11,507,636

- During the current year, "the Group" made a settlement with related parties have been under waiver for %14.06 of the ownership of shares in associate company to become the current ownership %20.56 has resulted in the settlement process a loss of KD 8,755 recorded in the consolidated statement of profit or loss. This transaction was eliminated from the consolidated statement of cash flows as it's a non cash movement.
- The share of "the Group" has been stated in the results of the associate company based on audited financial statements as of December 31, 2015.
- The investment's movement during the year was as follows:-

	2015	2014
Balance at January 1,	**11,507,636**	11,507,636
Additions	**143,250**	-
Disposals	**(4,823,418)**	-
"The Group" share in an associate reserves	**199,206**	-
"The Group" share in the business results	**14,483**	-
Balance at December 31,	**7,041,157**	11,507,636

8- Available for sale investments

	2015	2014
Local shares - quoted	**3,633,929**	3,004,804
Local shares - unquoted	**2,990,290**	185,000
Foreign shares - unquoted	**12,711**	8,707,025
	6,636,930	11,896,829

- Unquoted shares were carried at cost as its fair value could not be reliably determined; "the Group" management believes that there is no indication of impairment of these investments.
- The local quoted shares include shares retained against Murabaha payable with one of the local financial institutions with an amount of KD 108,300 as of December 31, 2015 (as of December 31, 2014: KD 114,000) and the required legal procedures are in progress to release this retention (Note – 9).

9- Murabaha and Tawaruq contract payable

	2015	2014
Tawaruq contract from local financial institution	**-**	1,529,307
	-	1,529,307

During the year, "the Group" and a related party have signed a settlement by amount of KD 1,529,307 with the key creditor against transferring investment properties owned to a related party who transferred those investments to the creditor. And obtain a clearance from the creditor party and procedures are in progress to raise and write off the mortgage on the investments described in Note (6),(8) and settle the outstanding legal cases. "the Group" has also paid the due amount to the related party against the sale of investment shares in an associate company (Note – 7). This transaction was eliminated from the consolidated statement of cash flows as it's a non cash movement.

10- Payable and other credit balance

	2015	2014
Payables for purchase of investments	73,123	5,000
Accrued expenses	6,167	-
Contingent liabilities provision	-	352,000
Cash dividends payable	23,583	23,883
Deducted taxation	302,392	342,475
Other	58,721	136,771
	463,986	860,129

11- Share capital

The authorized, issued, and fully paid up capital of the parent company amounted to K.D 31,862,423 divided into 318,624,230 shares with a nominal value of 100 fils per share and all are cash shares.

12- Losses from investments

	2015	2014
Investments at fair value – statement of income		
Realized gains/(losses)	113,994	(128,581)
Change in fair value	(541,233)	(285,536)
Cash dividends income	35,301	1,429
	(391,938)	(412,688)
Available for sale investments		
Realized gains/(losses)	3,174,061	(1,213,957)
Impairment in value	(6,129,169)	(1,088,329)
	(2,955,108)	(2,302,286)
	(3,347,046)	(2,714,974)

13- Loss per share/(fils)

Loss per share to shareholders of "the Parent" is calculated by dividing net loss for the financial year by the weighted average number of outstanding shares during the financial year as follows the calculation of loss per share:

	2015	2014
Net loss for the year attributable to shareholders of the parent company	(3,398,509)	(2,570,332)
Weighted average number of outstanding shares during the year/(share)	318,624,230	318,624,230
Loss per share/(fils)	(10.67)	(8.07)

14- Related party transactions

Related parties are "the Parent" shareholders who have representation in the Board of Directors, members of the Board of Directors and major shareholders. In the normal course of business, subject to the Company's management approval, there were transactions with related parties, the existing major shareholder and its subsidiary during the financial year ended; these transactions were in accordance with the terms of dealing with others and the Board of Director's approval. The transactions and outstanding balances with related parties, other than what disclosed in other notes, were as follows:

	2015	2014
Consolidated Statement of Financial position		
Due from related parties	**4,748,407**	1,371,126
Due to a related parties	**155,448**	85,854

These transactions are subject to the approval of the Shareholders General Assembly.

15- General Assembly of Shareholders

The General Assembly of Shareholders was held on May 19, 2015 has approved the consolidated financial statements for the financial year ended December 31, 2014, and approved on no remuneration for the Board of Directors for the financial year ended December 31, 2014 and no dividends have been distributed for the financial year ended December 31, 2014.

16- Operating segments

"The Group" primarily operates on one field of business activity represented in investing activity.

Geographic information
"The Group" operates in one geographic region: The following tables show the distribution of the Group's revenue, assets and liabilities according to the geographic region.

The following table shows the information analysis according to segments results as of December 31.

	2015	2014
Net losses	**(3,347,046)**	(2,714,974)
Net assets	**23,233,034**	30,120,794
Liabilities	**(619,434)**	(2,475,290)

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	2015	2014
Total losses	(3,347,046)	(2,714,974)
Other revenues	471,441	521,019
Net loss for the year	(2,875,605)	(2,193,955)

Total segments assets		
Cash & Cash equivalent	402,505	1,259,762
Investments at fair value –statement of income	4,034,978	3,985,306
Investment in an associate	7,041,157	11,507,636
Available for sale investments	6,636,930	11,896,829
Receivables & Other debit balances	366,883	97,766
Due from related parties	4,748,407	1,371,126
Total Assets	23,230,860	30,118,425

"The Group" operates its business in a main geographic market which is the local market in the State of Kuwait.

17- Financial instruments

A) Financial instruments:
Significant accounting policies
Details of the significant accounting policies - including the criteria for measurement and recognition of revenue and expenses in respect of each class of financial assets and liabilities - are disclosed in note (3) to the consolidated financial statements.

Categories of financial instruments
The Group's financial assets and financial liabilities are categorized in the consolidated statement of financial position as follows:

Financial assets:	2015	2014
Cash and cash equivalents	402,505	1,259,762
Investments at fair value – statement of income	4,034,978	3,985,306
Investments in associate	7,041,157	11,896,829
Available for sale investments	6,636,930	11,507,636
Receivables and other debit balances	366,883	97,766
Due from related parties	4,748,407	1,371,126
	23,230,860	30,118,425

Financial liabilities:	2015	2014
Murabaha and Tawaruq Contract payable	-	1,529,307
Payables and other credit balances	463,986	860,129
Due to related parties	155,448	85,854
	619,434	2,475,290

Ekttitab Holding Company
K.S.C. - Public
and its subsidiary
Kuwait

Notes to the consolidated financial statements for the year ended December 31, 2015
"All amounts are in Kuwaiti Dinar unless otherwise stated"

Fair value of financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. "the Group" has used the assumptions and accepted methods in the assessment of fair values of financial instruments. The fair values of the Group's financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active market are determined with reference to quoted market prices.

- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions and dealer quotes for similar instrument.
  Fair value of the non-derivative financial instruments is not materially different from its respective carrying value.

The following table presents financial assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy, where the hierarchy classifies the financial assets and liabilities to three levels based on the importance of the inputs used in the measurement of the fair value of the financial assets and liabilities.

The hierarchy levels of fair value are set out below:

- Level 1: prices included (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (inputs relating to prices).
- Level 3: inputs for assets and liabilities that are not based on observable market information (non observable information).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant inputs to the fair value measurement.

	Level 1	Level 2	Level 3	Total
December 31, 2015				
Assets:				
Investments at fair value - statement of income				
Quoted shares	1,401,137	-	-	1,401,137
Unquoted shares	-	-	2,485,912	2,485,912
Investment funds	-	147,929	-	147,929
Available for sale investments				
Quoted shares	3,633,929	-	-	3,633,929
Unquoted shares	-	-	3,003,001	3,003,001
Net fair value	5,035,066	147,929	5,488,913	10,671,908

	Level 1	Level 2	Level 3	Total
December 31, 2014				
Assets:				
Investments at fair value - statement of income				
Quoted shares	468,740	-	-	468,740
Unquoted shares	-	-	3,344,042	3,344,042
Investment funds	-	172,524	-	172,524
Available for sale investments				
Quoted shares	3,004,804	-	-	3,004,804
Unquoted shares	-	-	8,892,025	8,892,025
Net fair value	3,473,544	172,524	12,236,067	15,882,135

B) Financial risks management

"The Group's" use of financial instruments exposes it to a variety of financial risks such as credit risks, liquidity risks and market risks.

"The Group" continuously reviews its risks exposure and takes the necessary procedures to limit these risks to acceptable levels.
The Board of Director sets written bases for risk management frame work, and written policies covering certain areas like foreign currency risk, interest rate risk, credit risk and financial surpluses investment risk.

- **Credit risks**

Credit risk is the risk that one party to a financial instrument will fail to pay an obligation causing the other party to bear a financial loss. Financial assets, which potentially expose the Group to credit risk, consist principally of cash and cash equivalents and receivables. Cash and cash equivalents are placed in financial institutions with high credit repute. Receivables are stated by net after deducting the provision for doubtful debts.

- **Liquidity risks**

Liquidity risks are the risks that the Group will be unable to meet its cash obligations. The management of liquidity risks consists of keeping sufficient cash and arranging financing sources through enough credit facilities, managing highly liquid assets, and monitoring liquidity on a periodical basis by method of future cash flows.

The maturity of liabilities stated below is based on the period from the consolidated financial position date to the contractual maturity date. In the case of financial instruments that do not have a contractual maturity date, the maturity is based on management's estimate of time period in which the asset will be collected or disposed and the liability settled.

The maturity of financial liabilities as of December 31, 2015 is as follows:

	within one year	More than one year	Total
Payables and other credit balances	432,923	31,063	463,986
Due to related parties	155,448	-	155,448
	588,371	31,063	619,434

The maturity of financial liabilities as of December 31, 2014 is as follows:

	within one year	More than one year	Total
Murabaha and tawaruq Contract payable	1,529,307	-	1,529,307
Payables and other credit balances	836,327	23,802	860,129
Due to related parties	85,854	-	85,854
	2,451,488	23,802	2,475,290

- **Market risks**

Market risks comprise of foreign currencies risks, interest rate risks and equity price risks. These risks arise from changes in market prices, interest rates and foreign currencies prices.

Foreign currencies risks

Foreign currencies risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

These risks arise from transactions with foreign currencies. "the Group" manages these risks by setting limits on transaction with other foreign currencies and limiting its transaction business in major currencies (USA Dollar) with reputable counterparties.

Interest rate risks

Interest rate risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates in the market.
Interest rate risks arise from long-term borrowings. Borrowings at variable interest rates expose "the Group" to cash flows interest rate risks.

"The Group" practices its operation in accordance with Islamic Shariaa thus "the Group" are not exposed to interest risk.

Equity price risks

An equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. This risk results due to the changes in the fair value of the investments in stocks.

The effect in the Consolidated statement of profit or loss due to change in fair value of investment at fair value – statement of income as of December 31, 2015 as a result of expected changes in Kuwait Stock Exchange by (±10%) (2014: ±10%) and other variables held constant is as follows:

	Effect on Consolidated statement of profit or loss	
	2015	2014
Investments at fair value – statement of income	**403,498**	398,531
Available for sale investment	**663,693**	1,189,683

18- Capital risks management

A) Objectives in managing capital:

"The Group's" objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern to be able to provide returns for shareholders and benefits for other stakeholders.
- To maintain an optimal returns to shareholders by pricing its products and services commensurately with risk level.

"The Group" determines share capital that is adequate for risks and manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, or issue new shares or sell asset to reduce debt.

B) Debt to equity ratio:

Consistent with others in the same field, "the Group" monitors capital on the basis of net debt to consolidated equity ratio. This ratio is calculated as net debt divided by total adjusted capital. Net debt is calculated as total Murabaha and tawaruq contract payable, as shown in the consolidated statement of financial position less cash and cash equivalents. Total adjusted capital comprises of all components of equity shareholder of the parent company (share capital, reserves, and Accumulated losses) plus net debt.

The net debt ratio is as follows:

	2015	2014
Debt	**-**	1,529,307
Less: Cash and cash equivalents	**(402,505)**	(1,259,762)
Net debt	**(402,505)**	269,545
Total equity attributable to the shareholders of parent company	**22,660,842**	27,683,486
Equity and net debt	**22,258,337**	27,953,031
Net debt ratio	**-**	%0.96