# Ekttitab Holding Company - K.S.C (Public)

**And its subsidiary**
**State of Kuwait**
**Interim Condensed Consolidated Financial Information**
**(Unaudited)**
**For The Six Months Ended June 30, 2014**
**With Review Report**

**Ekttitab Holding Company - K.S.C (Public)**
**And its subsidiary**
**State of Kuwait**
**Interim Condensed Consolidated Financial Information**
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**For The Six Months Ended June 30, 2014**
**With Review Report**

**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
Certfied 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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**The Board of Directors**
**Ekttitab Holding Company**
**K.S.C (Public)**
**And its subsidiary**
**Kuwait**

## Review report on the interim condensed consolidated financial information

### Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Ekttitab Holding Company - K.S.C (Public) - (the Parent Company) and its subsidiaries (together referred to as "the Group") - as of June 30,2014 and the interim condensed consolidated statements of income, comprehensive income, cash flows and changes in equity for the six months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditors 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

### Explanatory paragraph

We draw attention to note (10) to the interim condensed consolidated financial information which describes the uncertainty related to the outcome of the lawsuits between the Company and the creditors of Murabahat and Tawaruq contracts that are due and unpaid.

### Report on review of other legal and regulatory matters

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company and to the best of our knowledge and belief, no violations of the Companies' Law no. 25 of year 2012, as amended, and related Executive Regulations, law no. 7 of 2010 in respect of the establishment of Capital Market Authority and the organization of the securities activity and its regulation or of the Parent Company's Memorandum and Articles of Association during the six months period ended June 30,2014 that might have had a material effect on the Parent Company's business or its consolidated financial position.

| | |
|---|---|
| **Ali Abdul Rahman Al Hasawi** | **Adel Al- Sanea** |
| **Licence No.30-A** | **Auditors Registry No. 86 Category (A)** |
| **Rödl middle East** | **Kuwaiti Accounting Auditing** |
| **Burgan - International Accountants** | **A member of H.L.B International** |

August 12, 2014
State of Kuwait

Exhibit – A

## Ekttitab Holding Company

**K.S.C (Public)**
**And its subsidiary**

**Interim Condensed Consolidated Statement of Financial Position as of June 30, 2014**
**(Unaudited)**
***(All amounts are in Kuwaiti Dinars)***

| | Note | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | 6 | **1,189,954** | 2,220,229 | 1,673,609 |
| Investments at fair value - statement of income | 7 | **10,740,780** | 11,040,475 | 11,706,485 |
| Available for sale investments | 8 | **4,670,700** | 6,231,057 | 7,310,532 |
| Investments in Islamic instruments | 9 | **7,082,167** | 12,521,413 | 12,521,413 |
| Receivables and other debit balances | | **114,271** | 114,036 | 120,043 |
| Due from related parties | 13 | **7,827,153** | 1,880,232 | 6,196,155 |
| Property and equipment | | **1,658** | 1,981 | 2,128 |
| **Total assets** | | **31,626,683** | 34,009,423 | 39,530,365 |
| **Liabilities and equity** | | | | |
| **Liabilities** | | | | |
| Murabahat and Tawaruq contracts payable | 10 | **4,764,718** | 4,764,718 | 7,062,729 |
| Payables and other credit balances | | **513,256** | 692,413 | 1,168,823 |
| Due to related parties | 13 | **181,729** | 181,729 | 121,708 |
| **Total liabilities** | | **5,459,703** | 5,638,860 | 8,353,260 |
| **Equity** | | | | |
| Share capital | | **31,862,423** | 31,862,423 | 31,862,423 |
| Treasury shares | | **-** | - | (121) |
| Statutory reserve | | **94,506** | 94,506 | 94,506 |
| Change in fair value reserve | | **(4,420,899)** | (2,819,336) | (982,488) |
| (Accumulated losses) / retained earnings | | **(1,309,738)** | (762,337) | 153,025 |
| Total equity attributable to the shareholders of the Parent company | | **26,226,292** | 28,375,256 | 31,127,345 |
| Non-controlling interests | | **(59,312)** | (4,693) | 49,760 |
| **Total equity** | | **26,166,980** | 28,370,563 | 31,177,105 |
| **Total liabilities and equity** | | **31,626,683** | 34,009,423 | 39,530,365 |

**Emad Hussain Nameh**
**Chairman**

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Exhibit - B

## Ekttitab Holding Company

**K.S.C (Public)**
**And its subsidiary**

**Interim Condensed Consolidated Statement of Income For The Six Months Ended June 30, 2014**
**(Unaudited)**
***(All amounts are in Kuwaiti Dinars)***

| | Note | The Three Months Ended June 30, | | The Six Months Ended June 30, | |
|---|---|---|---|---|---|
| | | **2014** | 2013 | **2014** | 2013 |
| **Revenue** | | | | | |
| Revenue of activity | | **13,929** | - | **52,592** | - |
| Cost of activity | | **(53,641)** | - | **(79,491)** | - |
| Net losses of activity | | **(39,712)** | - | **(26,899)** | - |
| Losses on investments | 11 | **(324,187)** | (185,290) | **(372,667)** | (607,494) |
| Revenue from investments in Islamic instruments | | - | 26,884 | - | 26,884 |
| Losses from foreign currencies translation differences | | **(542)** | - | **(3,448)** | - |
| Other income / (losses) | | **16,511** | (24,466) | **18,325** | 3,616 |
| | | **(347,930)** | (182,872) | **(384,689)** | (576,994) |
| **Expenses and other charges** | | | | | |
| General and administrative expenses | | **83,478** | 93,405 | **179,388** | 198,485 |
| **Total expenses and other charges** | | **83,478** | 93,405 | **179,388** | 198,485 |
| **Net loss profit for the period** | | **(431,408)** | (276,277) | **(564,077)** | (775,479) |
| Attributable to: | | | | | |
| Shareholders of the parent company | | **(420,668)** | (273,376) | **(547,554)** | (767,553) |
| Non-controlling interests | | **(10,740)** | (2,901) | **(16,523)** | (7,926) |
| **Net loss for the period** | | **(431,408)** | (276,277) | **(564,077)** | (775,479) |
| **Loss per share / (fils)** | 12 | **(1.32)** | (0.95) | **(1.72)** | (2.67) |

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Exhibit - C

## Ekttitab Holding Company

K.S.C (Public)
And its subsidiary

**Interim Condensed Consolidated Statement of Comprehensive Income For The Six Months Ended June 30, 2014 (Unaudited)**
*(All amounts are in Kuwaiti Dinars)*

| | The Three Months Ended June 30, | | The Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| Net loss profit for the period | **(431,408)** | (276,277) | **(564,077)** | (775,479) |
| Other comprehensive income: | | | | |
| Change in fair value of available for sale investments | **(946,320)** | (149,514) | **(1,855,032)** | (597,830) |
| Transferred to statement of income on sale of available for sale investments | **60,962** | 8,356 | **215,367** | 223,090 |
| Total other comprehensive loss for the period | **(885,358)** | (141,158) | **(1,639,665)** | (374,740) |
| **Total comprehensive loss for the period** | **(1,316,766)** | (417,435) | **(2,203,742)** | (1,150,219) |
| Attributable to: | | | | |
| Shareholders of the Parent company | **(1,286,298)** | (416,187) | **(2,149,117)** | (1,125,747) |
| Non-controlling interests | **(30,468)** | (1,248) | **(54,625)** | (24,472) |
| **Total comprehensive loss for the period** | **(1,316,766)** | (417,435) | **(2,203,742)** | (1,150,219) |

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Exhibit - D

# Ekttitab Holding Company

**K.S.C (Public)**
**And its subsidiary**

**Interim Condensed Consolidated Statement of Cash Flows For The Six Months Ended June 30, 2014 (Unaudited)**
*(All amounts are in Kuwaiti Dinars)*

| | Six months Ended June 30, | |
|---|---|---|
| | **2014** | 2013 |
| **Cash flows from operating activities** | | |
| Net loss for the period | **(564,077)** | (775,479) |
| *Adjustments:* | | |
| Losses on investments | **372,667** | 607,494 |
| Depreciation | **323** | 2,970 |
| Revenue from Investments in Islamic instruments | - | (26,884) |
| Finance costs | - | 23,889 |
| Operating loss before changes in working capital items | **(191,087)** | (168,010) |
| Investments at fair value - statement of income | **240,223** | (2,856,195) |
| Receivables and other debit balances | **(235)** | 49,400 |
| Related parties | **(507,675)** | (1,347,073) |
| Payables and other credit balances | **(179,157)** | 700,883 |
| Net cash used in operating activities | **(637,931)** | (3,620,995) |
| **Cash flows from investing activities** | | |
| Paid for purchase of available for sale investments | **(576,368)** | (10,670,172) |
| Proceeds from sale of available for sale investments | **182,436** | 3,888,531 |
| Paid for purchase of property and equipment | - | (45) |
| Dividends received | **1,429** | 1,348 |
| Net cash used in investing activities | **(392,503)** | (6,780,338) |
| **Cash flows from financing activities** | | |
| Share capital increase | - | 9,000,000 |
| Purchase of treasury shares | **(14,620)** | (3,926) |
| Sale of treasury shares | **14,779** | 14,113 |
| Net movement on non-controlling interests | - | (16,392) |
| Net cash generated from financing activities | **159** | 8,993,795 |
| Net decrease in cash and cash equivalents | **(1,030,275)** | (1,407,538) |
| Cash and cash equivalents at the beginning of the period | **2,220,229** | 3,081,147 |
| **Cash and cash equivalents at the end of the period (Note -6)** | **1,189,954** | 1,673,609 |

The accompanying notes form an integral part of this interim condensed consolidated financial information.

## Ektitab Holding Company

**K.S.C (Public)**
**And its subsidiary**

**Interim Condensed Consolidated Statement of Changes in Equity For The Six Months Ended June 30, 2014**
**(Unaudited)**
*(All amounts are in Kuwaiti Dinars)*

| | Equity attributable to the shareholders of the parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Share capital | Treasury shares | Statutory reserve | Change in fair value reserve | Retained earnings /(accumulated losses) | Total | Non-controlling interests | Total equity |
| Balance at January 1, 2013 | 22,862,423 | (11,094) | 94,506 | (624,294) | 921,305 | 23,242,846 | 90,683 | 23,333,529 |
| Share capital increase – cash | 9,000,000 | - | - | - | - | 9,000,000 | - | 9,000,000 |
| Net loss for the period | - | - | - | - | (767,553) | (767,553) | (7,926) | (775,479) |
| Total other comprehensive loss for the period | - | - | - | (358,194) | - | (358,194) | (16,546) | (374,740) |
| Total comprehensive loss for the period | - | - | - | (358,194) | (767,553) | (1,125,747) | (24,472) | (1,150,219) |
| Purchase of treasury shares | - | (3,926) | - | - | - | (3,926) | - | (3,926) |
| Sale of treasury shares | - | 14,899 | - | - | (727) | 14,172 | (59) | 14,113 |
| Net movement on non-controlling interests | - | - | - | - | - | - | (16,392) | (16,392) |
| Balance at June 30, 2013 | 31,862,423 | (121) | 94,506 | (982,488) | 153,025 | 31,127,345 | 49,760 | 31,177,105 |
| | | | | | | | | |
| 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 period | - | - | - | - | (547,554) | (547,554) | (16,523) | (564,077) |
| Total other comprehensive loss for the period | - | - | - | (1,601,563) | - | (1,601,563) | (38,102) | (1,639,665) |
| Total other comprehensive loss for the period | - | - | - | (1,601,563) | (547,554) | (2,149,117) | (54,625) | (2,203,742) |
| Purchase of treasury shares | (14,620) | - | - | - | (14,620) | - | (14,620) | (14,620) |
| Sale of treasury shares | 14,620 | - | - | 153 | 14,773 | 6 | 14,779 | 14,779 |
| **Balance at June 30, 2014** | **31,862,423** | **-** | **94,506** | **(4,420,899)** | **(1,309,738)** | **26,226,292** | **(59,312)** | **26,166,980** |

The accompanying notes form an integral part of this interim condensed consolidated financial information.

## 1. Company's Overview

Ekttitab Holding Company (the Parent Company) was established in 1999 as Kuwaiti shareholding company (Closed) . The Company is registered in the Commercial Register under No. 105414, and listed in Kuwait Stock Exchange on December 19, 2005.

The Parent 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.

On September 29, 2013, the Ministry of Industry and Commerce issued Decree, executive regulation no. 425 of 2013 the basis and rules which the companies shall adapt to regularize its affairs with the Companies Law as amended from date of publishing in the official Gazette

The registered address of the Parent Company is: Jassem Al Asfoor tower, Kuwait. City, P.O 2799 Safat – 13028 State of Kuwait.

This interim condensed consolidated financial information was approved for issuance by the Board of Directors on August 12, 2014

## 2. Basis of presentation

The interim condensed financial information has been prepared to present interim financial information in compliance with the International Accounting Standard No. 34 which related to the interim financial reporting and the guidelines issued by the Kuwait Stock Exchange. The interim condensed financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The operating results for the six months period ended June 30, 2014 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2014 For further information, refer to the consolidated financial statements and notes thereto included in the company's annual report for the financial year ended December 31, 2013.

## 3. Significant accounting policies

This interim condensed financial information has been prepared in accordance with the accounting policies and methods of computation adopted in the last annual financial statements for the year ended December 31, 2013 except for changes arising from amendments to IFRS.
During the period, the Company adopted all amendments to IFRS, as well as the new standards and interpretations which came into effect for annual periods beginning on or after January 1, 2014. These changes are not expected to have an impact on the Group's interim condensed consolidated financial information.

## 4. Critical accounting estimates and judgments

The preparation of financial information 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 interim condensed consolidated financial information and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of current events, actual results may differ from those estimates.

## 5. Subsidiary

This interim condensed consolidated financial information include the financial information of the Parent Company and its subsidiary (together referred to as Group) as stated below:

| Company's name | Legal form | Incorporation country | Shareholding Percentage % June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|---|---|
| Petro Integrated Business Holding Company | K.S.C.C | Kuwait | **96.25** | 96.25 | 92.5 |

The financial information of the subsidiary as of June 30, 2014 was consolidated based on financial information prepared by the management. The total assets of this Company amounted to KD 18,679,102 as of June 30, 2014 (KD 15,166,902 as of December 31, 2013) and net losses of KD 392,234 for the period ended June 30, 2014

## 6. Cash and cash equivalents

| | **June 30, 2014** | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Cash on hand | **716** | 637 | 447 |
| Cash at banks and financial institutions | **612,760** | 1,851,459 | 845,607 |
| Cash at investments portfolios and Kuwait Clearing Company | **576,478** | 368,133 | 827,555 |
| | **1,189,954** | 2,220,229 | 1,673,609 |

## 7. Investments at fair value – statement of income

| | **June 30, 2014** | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Investments in local shares – quoted | **548,959** | 1,047,189 | 1,626,728 |
| Investments in local shares – unquoted | **9,775,843** | 9,775,843 | 9,775,843 |
| Investments in foreign shares – quoted | **199,260** | - | 40,126 |
| Investments in local funds – unquoted | **216,718** | 217,443 | 263,788 |
| | **10,740,780** | 11,040,475 | 11,706,485 |

The fair value of the quoted investments is determined based on the last bid prices. The fair value of unquoted investments is determined based on other technical assessment methods. The fair value of the investment in funds is determined based on the net assets value of those funds.

Investments in local quoted and unquoted shares include KD 61,581 as of June 30, 2014 (KD 64,858 as of December 31, 2013 – KD 66,824 as of June 30, 2013) recorded in the name of related parties, and there is a letters of assignment of ownership of these investments in favor of the Group.

**Ekttitab Holding Company**
**K.S.C (Public)**
**And its subsidiary**

**Notes to the interim condensed consolidated financial information for The Six Months Ended June 30, 2014 (Unaudited)**
*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

**8. Available for sale investments**

| | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Local quoted shares | **4,485,700** | 6,046,057 | 7,125,532 |
| Local unquoted shares | **185,000** | 185,000 | 185,000 |
| | **4,670,700** | 6,231,057 | 7,310,532 |

- That the evaluation of investments in unquoted shares is in accordance with the operations of the estimated based on available information about the financial position and results of the activities of the investee companies and the future profits expected for these companies are also taken into account the prices of any trading modern known for shares with other parties in the investee companies or in similar companies.

**9. Investments in Islamic instruments**

| | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Musharakat | **7,082,167** | 12,521,413 | 12,521,413 |
| | **7,082,167** | 12,521,413 | 12,521,413 |
| Average yield ( %) | - | - | - |

- All Islamic instruments generated to related parties and maturing during 2014.
- The Group does not calculate fixed returns based on Sharia Supervisory board advice until the settlement of these contracts.
- A list of guarantees received by the Group against investments in Islamic debt instruments in accordance with pledge contracted with related party:-

| | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Investment portfolio mortgaged - second level - managed by a related party | **2,854,546** | 4,724,766 | 6,693,418 |
| Unquoted foreign shares | **3,990,413** | 3,990,413 | 574,207 |
| Unquoted local shares | **7,952,486** | 7,952,486 | 3,625,240 |

**10. Murabahat and Tawaruq contracts payable**

| | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Murabahat and Tawaruq contracts payables from local financial institutions (Kuwaiti Dinar) | **4,764,718** | 4,764,718 | 4,764,718 |
| Murabahat payables from foreign financial institutions (Sterling Pound) | **-** | - | 2,298,011 |
| | **4,764,718** | 4,764,718 | 7,062,729 |

Notes to the interim condensed consolidated financial information for The Six Months Ended June 30, 2014 (Unaudited)
*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

| | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Murabahat payables | **3,235,411** | 3,235,411 | 5,533,422 |
| Tawaruq contracts payables | **1,529,307** | 1,529,307 | 1,529,307 |
| | **4,764,718** | 4,764,718 | 7,062,729 |

- Murabahat and Tawaruq contracts payable were past due and not paid due to lawsuits between the Group and all creditors. The Group has stopped recognizing finance costs of Murabahat and Tawaruq contracts that were past due and unpaid since the due date. Such lawsuits are still in its initial stages and currently it is difficult to predict the resultant outcome thereof.

- Murabahat payables are secured against investments at fair value - statement of income and available for sale investments with fair value of KD 2,738,700 as of June 30, 2014 (KD 2,785,800 as of December 31, 2013, 3,241,950 as of June 30, 2013).

**11. Losses on investments**

| | The Three Months Ended June 30 | | The Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| **Investments at fair value – statement of income** | | | | |
| Realized gains /(losses) | **12,958** | (1,600) | **178,354** | 18,341 |
| Losses from change in fair value | **(230,066)** | (49,493) | **(237,826)** | (194,018) |
| Dividends income | **1,429** | 1,348 | **1,429** | 1,348 |
| | **(215,679)** | (49,745) | **(58,043)** | (174,329) |
| **Available for sale investments** | | | | |
| Realized losses | **(108,508)** | (135,545) | **(314,624)** | (433,165) |
| | **(108,508)** | (135,545) | **(314,624)** | (433,165) |
| | **(324,187)** | (185,290) | **(372,667)** | (607,494) |

**12. Loss per share / (fils)**

- Loss per share to shareholders of the Parent Company is calculated by dividing net loss for the period by the weighted average number of outstanding shares during the period as follows:

| | The Three Months Ended June 30 | | The Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| Net loss for the period attributable to shareholders of the Parent Company | **(420,668)** | (273,376) | **(547,554)** | (767,553) |
| Weighted average number of outstanding shares during the period / (share) | **318,624,230** | 287,874,123 | **318,624,230** | 287,874,123 |
| Loss per share / (fils) | **(1.32)** | (0.95) | **(1.72)** | (2.67) |

## 13. Related party transactions

Related parties comprise of associates, major shareholders, Board of Directors, key management personnel of the Group and companies which they controlled or jointly controlled or significantly influence. The Group's management approved the pricing policies and terms of these transactions. The balances and amounts due from/to related parties are interest free and have no specific maturity date

The balances and movement of transactions with related parties included in the interim condensed consolidated financial information are as follows:

| | **June 30, 2014** | December 31, 2013 (audited) | June 30, 2013 |
|---|---|---|---|
| **Interim Condensed Consolidated Statement of Financial Position** | | | |
| Investments in Islamic instruments | **7,082,167** | 12,521,413 | 12,521,413 |
| Due from related parties | **7,827,153** | 1,880,232 | 6,196,155 |
| Payables purchasing financial investments | **-** | 168,330 | - |
| Due to related parties | **181,729** | 181,729 | 121,708 |
| Cash at investments portfolios | **1,395** | - | (115,270) |

| **Interim Condensed Consolidated Statement of Income:** | **The Three Months Ended June 30** | | **The Six Months Ended June 30** | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| Revenue from Islamic instruments | - | 26,884 | - | 26,884 |

- Investments at fair value - statement of income include a portfolio which the fair value amounted to KD 309,460 as of June 30, 2014 (KD 429,509 as of December 31, 2013 - KD 824,358 as of June 30, 2013) pledged against Murabahat payable granted to related parties.
- All transactions with related parties are subject to the approval of the Shareholders General Assembly.

## 14. Financial instruments

**Categories of financial instruments**

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

| **Financial assets:** | **June 30, 2014** | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Cash and cash equivalents | **1,189,954** | 2,220,229 | 1,673,609 |
| Investments at fair value - statement of income | **10,740,780** | 11,040,475 | 11,706,485 |
| Available for sale investments | **4,670,700** | 6,231,057 | 7,310,532 |
| Investments in Islamic instruments | **7,082,167** | 12,521,413 | 12,521,413 |
| Receivables and other debit balances | **114,271** | 114,036 | 120,043 |
| Due from related parties | **7,827,153** | 1,880,232 | 6,196,155 |
| | **31,625,025** | 34,007,442 | 39,528,237 |

| Financial liabilities: | June 30, 2014 | December 31, 2013 (Audited) | June 30, 2013 |
|---|---|---|---|
| Murabahat and Tawaruq contracts payable | 4,764,718 | 4,764,718 | 7,062,729 |
| Payables and other credit balances | 513,256 | 692,413 | 1,168,823 |
| Due to related parties | 181,729 | 181,729 | 121,708 |
| | 5,459,703 | 5,638,860 | 8,353,260 |

**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 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 |
|---|---|---|---|---|
| **June 30, 2014:** | | | | |
| **Assets:** | | | | |
| **Investments at fair value - statement of income** | | | | |
| Quoted securities | 748,219 | - | - | 748,219 |
| Investments funds | - | 216,718 | - | 216,718 |
| Unquoted securities | - | 7,322,681 | 2,453,162 | 9,775,843 |
| **Available for sale investments** | | | | |
| Quoted securities | 4,485,700 | - | - | 4,485,700 |
| **Net fair value** | 5,233,919 | 7,539,399 | 2,453,162 | 15,226,480 |

**Ekttitab Holding Company**
**K.S.C (Public)**
**And its subsidiary**

**Notes to the interim condensed consolidated financial information for The Six Months Ended June 30, 2014 (Unaudited**
*(All amounts are in Kuwaiti Dinars unless otherwise stated)*

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| June 30, 2013: | | | | |
| **Assets:** | | | | |
| **Investments at fair value - statement of income** | | | | |
| Quoted securities | 1,666,854 | - | - | 1,666,865 |
| Investments funds | - | 263,788 | - | 263,788 |
| Unquoted securities | - | 7,322,681 | 2,453,162 | 9,775,843 |
| **Available for sale investments** | | | | |
| Quoted securities | 7,125,532 | - | - | 7,125,532 |
| Net fair value | 8,792,386 | 7,586,469 | 2,453,162 | 18,832,028 |

**15. Segment distribution**

The Group's activities are mainly concentrated in the investment segment.

**16. Shareholders' General Assembly**

On May 19, 2014, the annual general assembly of the Shareholders held and approved the consolidated financial statements for the financial year ended December 31, 2013 and approved the Board of Directors' proposals to not distribute dividends for the financial year ended December 31, 2013 and also not to distribute board of directors rewards for the financial year ended December 31, 2013.