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

Consolidated financial statements
for the financial year ended December 31, 2016
with
Independent auditors' report

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Contents

Rödl
Middle East
Burgan-International Accountants
Ali Al-Hasawi & Co

P.O. Box: 22351 Safat 13084 Kuwait
Sharq – Dasman Complex – Block 2 – 9 Floor
Tel 22464574-6 / Fax: 22414956
Email: info-kuwait@rodlme.com
www.rodlme.com

HLB Kuwaiti Accountant Auditing
Certified Public Accountants, Consultants . Businises Advisors

Ahmed Al Jaber Street, P.O.Box 26588, 17 A Warba Insurance Complex, 13129 Safat, Kuwait - Fax: 22403205 - Tel: 22449454
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E-mail: kwtacctaudit@hotmail.com - www.hlbkuwait.com

Independent auditors' report

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

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ekttitab Holding Company - K.S.C. - (Public) –"the Parent Company" - and its subsidiary (together referred to as "the Group") which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

We have identified the following key audit matter:

Investment securities evaluation / assessment
The measurement of the fair value for some investment securities included in available for sale investments or investments was at the fair value – statement of profit or loss based on different valuation methods as of December 31, 2016, and others were stated by the acquisition cost due to the non availability of measurement tool for its fair value. The group's policy for evaluating the investment securities and the impairment in its value is mentioned in note (3/6) on the consolidated financial statements.
As part of the audit procedures and other procedures, we have checked the evaluation methods used, the bases upon which it is based and its reasonableness. We have reviewed the management's policy related to the assessment of any impairment indicator or evidence exists in those investments carried out at cost, we further assessed the adequacy of the disclosures related to those investments in the consolidated financial statements.

Other information
Other information consists of the information included in the Parent Company's Board of Directors Report, other than the consolidated financial statements and our auditors' report thereon. Management is responsible for the other information. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and when it becomes available and , in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Furthermore, in our opinion, proper books of account have been kept by "the Parent company", 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, 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, 2016 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 Accountant Auditing**
Burgan - International Accountants	**A member of H.L.B International**

February 28, 2017
Kuwait

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

Consolidated statement of financial position as of December 31, 2016
"All amounts are in Kuwaiti Dinar"

	Note	2016	2015
Assets			
Cash and cash equivalents	5	**1,094,754**	402,505
Investments at fair value – statement of profit or loss	6	**1,912,946**	4,034,978
Investments in an associate	7	**7,139,785**	7,041,157
Available for sale investments	8	**6,992,006**	6,636,930
Receivables and other debit balances		**1,235,801**	366,883
Due from related parties	13	**4,564,611**	4,748,407
Property and equipment		**49,478**	2,174
Total assets		**22,989,381**	23,233,034
Liabilities and equity			
Liabilities			
Payables and other credit balances	10	**397,430**	463,986
Due to related parties	14	**273,648**	155,448
Total liabilities		**671,078**	619,434
Equity			
Share capital	11	**31,862,423**	31,862,423
Statutory reserve		**94,506**	94,506
Change in fair value reserve		**(2,253,925)**	(2,756,645)
"The Group" share in an associate reserves		**262,805**	191,736
Accumulated losses		**(7,654,036)**	(6,731,178)
Total equity attributable to the shareholders of "the Parent"		**22,311,773**	22,660,842
Non-controlling interests		**6,530**	(47,242)
Total equity		**22,318,303**	22,613,600
Total liabilities and equity		**22,989,381**	23,233,034

Mohammed Salah Al-Ayoub
CEO

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, 2016
"All amounts are in Kuwaiti Dinar"

	Note	2016	2015
Revenue			
Losses on investments	12	**(548,665)**	(3,347,046)
Net revenue of contracts		**220,748**	172,461
"The Group" share in results of associate	7	**(172,210)**	14,483
Loss from sale of share in an associate		-	(8,755)
Provision no longer required		-	290,727
Other income		-	2,525
Total losses		**(500,127)**	(2,875,605)
Expenses and other charges			
General and administrative expenses		**(423,929)**	(524,971)
Total expenses and other charges		**(423,929)**	(524,971)
Net loss for the year before KFAS, National Labour Support Tax and Zakat		**(924,056)**	(3,400,576)
Net loss for the year		**(924,056)**	(3,400,576)
Attributable to:			
Shareholders of "the Parent Company"		**(922,858)**	(3,398,509)
Non-controlling interests		**(1,198)**	(2,067)
Net loss for the year		**(924,056)**	(3,400,576)
Loss per share/(fils)	13	**(2.90)**	(10.67)

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 and other comprehensive income for the year ended December 31, 2016
"All amounts are in Kuwaiti Dinar"

	2016	2015
Net loss for the year	**(924,056)**	(3,400,576)
"The Group" share in an associate reserves	**73,838**	199,206
Change in fair value of available for sale investments	**(401,571)**	(2,625,250)
Transfer to the statement of profit or loss resulted from sale of available for sale investments	**288,493**	769,716
Transfer to the statement of profit or loss resulted from impairment in value	**667,999**	25,000
Total comprehensive loss for the year	**(295,297)**	(5,031,904)
Attributable to:		
Shareholders of "the Parent"	**(349,069)**	(5,022,644)
Non-controlling interests	**53,772**	(9,260)
Total comprehensive loss for the year	**(295,297)**	(5,031,904)

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

Consolidated statement of changes in equity for the year ended December 31, 2016
"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, 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
Balance at January 1, 2016	31,862,423	94,506	(2,756,645)	191,736	(6,731,178)	22,660,842	(47,242)	22,613,600
Net loss for the year	-	-	-	-	(922,858)	(922,858)	(1,198)	(924,056)
Other comprehensive loss for the year	-	-	502,720	71,069	-	573,789	54,970	628,759
Total comprehensive loss for the year	-	-	502,720	71,069	(922,858)	(349,069)	53,772	(295,297)
Balance at December 31, 2016	**31,862,423**	**94,506**	**(2,253,925)**	**262,805**	**(7,654,036)**	**22,311,773**	**6,530**	**22,318,303**

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, 2016
"All amounts are in Kuwaiti Dinar"

	Note	2016	2015
Cash flows from operating activities			
Net loss for the year		**(924,056)**	(3,400,576)
Adjustments:			
Depreciation of property and equipments		**300**	2,617
Losses on investments		**548,665**	3,347,046
"The Group" share in results of associate		**172,210**	14,483
Operating loss before changes in working capital items		**(202,881)**	(36,430)
Investments at fair value – statement of profit or loss		**2,681,005**	(476,907)
Receivables and other debit balances		**(868,918)**	(233,816)
Related parties		**884,294**	2,892,476
Payables and other credit balances		**(66,556)**	(396,143)
Net cash generated from operating activities		**2,426,944**	1,749,180
Cash flows from investing activities			
Available for sale investments		**(1,687,191)**	(2,425,464)
Investments in associate		**-**	(143,250)
Cash dividends received		**-**	(35,301)
Paid to purchase property and equipment		**(47,504)**	(2,422)
Net cash used in investing activities		**(1,734,695)**	(2,606,437)
Net increase/(decrease) in cash and cash equivalents		**692,249**	(857,257)
Cash and cash equivalents at beginning of the year		**402,505**	1,259,762
Cash and cash equivalents at end of the year	5	**1,094,754**	402,505

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

1- Brief on "The Parent Company"

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 Company's office is located at Jassim Al Asfour Building – Kuwait city.

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, 2016 for issue on February 28, 2017.

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 year:

In the current year, the following effective amendments to IFRSs issued by the International Accounting Standards Board (IASB) are mandatorily for the accounting period beginning on or after January 1, 2016:

- **Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception**
  (Effective for annual periods beginning on or after January 1, 2016)
  The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10.

- **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 amortization 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 consolidated financial statements:
  - At cost; or
  - 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.

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 mandatorily effective:

- **Amendments to IFRS 2 "Classification and Measurement of Share-based payment Transactions"**
  (Effective for annual periods beginning on or after January 1, 2018).

- **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 July 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.

- **IFRS 16 "leases"**
  (Effective for annual periods beginning on or after January 1, 2019).
  IFRS 16 provides a comprehensive model for identification of lease arrangements and their treatment in the consolidated financial statements of both leasees and lessors.

- **Amendments to IAS 7 "Disclosure Initiative"**
  (Effective for annual periods beginning on or after January 1, 2017)
  The amendments require an entity to provide disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific format to disclose financing activities; however, an entity may fulfil the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

The management anticipates that the new or revised standards will be adopted in the Group's accounting policies for the period beginning on or after the effective date of the pronouncement, and those new and revised 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 and its subsequent amendments.
- 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 consolidated financial statements include the financial statements of Ekttitab Holding Company K.S.C (Public) ("the Parent Company") and its subsidiary (together referred to as "the Group") disclosed under note 4.

Subsidiaries are those enterprises controlled by the Parent Company. Control exists when the Parent Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The control is maintained by the Parent Company when:

- Exercise power over the investee;
- Exposure to variable returns or obtains rights from involvement with the investee,
- Ability to use its power to affect the investee returns.

When the Parent Company does not has majority voting rights in the investee, the Parent Company takes into consideration facts and other factors in assessing the control, which include:

- Contractual arrangement between the Parent Company and other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Parent Company's voting rights;
- Other potential voting rights.

The financial statements of subsidiaries acquired or disposed are included in the consolidated financial statements from the date the control effectively commences until the date that control effectively end.

The financial statements of the subsidiaries are consolidated on a line–by–line basis by adding together alike items of assets, liabilities, revenues and expenses. All inter–company balances and transactions, including unrealized profits or losses arising from inter–company transactions, are fully eliminated. Consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events which accrue in similar conditions.

The financial statements of the subsidiaries are prepared for the same date or within three months of the reporting period of the Parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist between the subsidiaries' financial year date and the Parent Company's financial year date.

Non–controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non–controlling interests consist of the interest at the date of the original business combination and the non–controlling interest share of changes in equity since the date of the combination. Profits and losses attributed to the owners of the Parent Company and to the non–controlling interests in the ratio of their respective shareholdings even if that resulted in the non–controlling interests having a deficit balance.
When ownership of subsidiaries changes without loss of control, the transaction is accounted for within equity. However, when control is lost as a result of change in ownership, then:

- Derecognize the assets and liabilities of the subsidiaries reported in statement of financial position (including goodwill);
- Recognize any remaining investment of the subsidiaries at fair value at date of loss of control;
- Derecognize non–controlling interests.
- Recognize the profit or loss resulting from the loss of control in the 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) Financial instruments

Classification

The classification of the investments depends on the purpose for which the investments were acquired. Management determines this classification at initial recognition of the financial instrument and reviews this classification when preparing the consolidated financial statements. The group has classified its financial instruments as receivables and financial assets available for sale:

Receivables
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides goods or services directly to clients with no intention of trading these debts.

Financial assets available for sale
These are non-derivative financial assets that are not included in any of the above categories and are principally, acquired to be held, for an indefinite period of time which could be sold when liquidity is needed or upon changes in rates of profit.

Recognition and de-recognition
Regular purchase and sale of financial asset are recognized on settlement date - the date on which the group receives or delivers the asset. A financial asset is derecognized when the rights to receive cash flows from the asset have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership to another party.

Measurement
Financial assets are initially recognized at fair value plus transaction cost. Except the investments at fair value through statement of profit or loss.

Subsequently, assets available for sale are carried at fair value and receivables are carried at amortized cost using the effective yield method.

Changes in the fair value of available for sale investments are recognized directly in consolidated statement of changes in equity. When available for sale investments are sold or impaired, the amounts recognized in consolidated statement of changes in equity are transferred to the consolidated statement of profit or loss.

Fair value
The fair value of financial instruments in regular financial market is determined according to the last bid prices.
For the unquoted investments, the group establishes fair value by reference to other investments that are substantially the same, or by using the expected discounted cash flow after adjustment to reflect the same circumstances of the issuing company. Available for sale investments, which its fair value could not be determined are carried at cost less impairment losses.

Impairment in value
The group assesses at each consolidated financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale investments, a significant or prolonged decline in the fair value of these investments below its cost is considered as an indicator that these investments are impaired.

If any evidence for impairment exists for available for sale financial assets, the cumulative losses measured as the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognized in prior years are transferred from equity to the consolidated statement of comprehensive income.
Impairment losses recognized on equity instruments are not reversed through the consolidated statement of comprehensive income.

3/7) 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.

3/8) 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.

3/9) Investment in an associate
An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The group's investment in associates is accounted for under the equity method of accounting, i.e. on the statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the associate, less any impairment and the consolidated statement of profit or loss reflects the group's share of the results of operations of associate.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill.

The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the parent company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition.

Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the group's share in the associate arising from changes in the associate's equity. Changes in the group's share in associate's equity are recognised immediately in the consolidated statement of changes in equity.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions with associate are eliminated to the extent of the group's share in the associate. Unrealised losses are also eliminated unless the transactions provide evidence of impairment in the asset transferred.

An assessment for impairment of investment in associates is performed when there is an indication that the asset has been impaired, or that impairment losses recognised in prior years no longer exist.

The associate's financial statements are prepared either to the parent company's reporting date or to a date not earlier than three months of the parent company's reporting date using consistent accounting policies. Where practicable, adjustments are made for the effect of significant transactions or other events that occurred between the reporting date of the associates and the parent company's reporting date.

Upon loss of significant influence over the associate, the group measures and recognises any retaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in the consolidated statement of profit or loss.

3/10) 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.

3/11) 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.

3/12) 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.

3/13) Account payables

Account payables are stated at their nominal value.

3/14) 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.

3/15) 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.

3/16) 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.

3/17) 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.

3/18) 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.

3/19) Taxation

National Labour Support Tax (NLST)

NLST is calculated in accordance with Law No. 19 of 2000 and the Minister of Finance Resolutions No. 24 of 2006 at 2.5% of taxable profit of the group attributable to the shareholders of the parent company. As per law, income from associates and subsidiaries, cash dividends from listed companies which are subjected to NLST have to be deducted from the profit for the year.

Kuwait Foundation for the Advancement of Sciences (KFAS)
The contribution to KFAS is calculated at 1% of taxable profit of the group attributable to the shareholders of the parent company in accordance with the modified calculation based on the Foundation's Board of Directors' resolution, which states that income from associates and subsidiaries, Board of Directors' remuneration, transfer to statutory reserve should be excluded from profit for the year when determining the contribution.

Zakat
Contribution to Zakat is calculated at 1% of the profit of the group attributable to the shareholders of the parent company in accordance with the Ministry of Finance resolution No. 58/2007 effective from 10 December 2007.

Under the NLST and Zakat regulations, no carry forward of losses to the future years or any carry back to prior years is permitted.

3/20) **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.

3/21) **Significant management judgements and estimation uncertainty.**
The preparation of the group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Significant management judgments
In the process of applying the group's accounting policies, management has made the following significant judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Classification of financial instruments
Judgements are made in the classification of financial instruments based on management's intention at acquisition.

The group classifies financial assets as held for trading if they are acquired primarily for the purpose of short term profit making.

Classification of financial assets as at fair value through profit or loss depends on how management monitors the performance of these financial assets. When they are not classified as held for trading but have readily available fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as designated at fair value through profit or loss.

Classification of assets as loans and receivables depends on the nature of the asset. If the group is unable to trade these financial assets due to inactive market and the intention is to receive fixed or determinable payments the financial asset is classified as loans and receivables.

All other financial assets are classified as available for sale.

Fair values of assets and liabilities acquired
The determination of the fair value of the assets, liabilities and contingent liabilities as a result of business combination requires significant judgement.

Control assessment
When determining control, management considers whether the group has the practical ability to direct the relevant activities of an investee on its own to generate returns for itself. The assessment of relevant activities and ability to use its power to affect variable return requires considerable judgement.

Estimates uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of assets with definite lives
At the financial position date, the group's management assesses, whether there is any indication that assets with definite lives may be impaired. The recoverable amount of an asset is determined based on the "value in use" method. This method uses estimated cash flow projections over the estimated useful life of the asset.

Impairment of associates
After application of the equity method, the group determines whether it is necessary to recognise any impairment loss on the group's investment in its associated companies, at each reporting date based on existence of any objective evidence that the investment in the associate is impaired. If this is the case the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of profit or loss.

Impairment of available for sale investments
The group treats available for sale investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires considerable judgment.

Impairment of receivables
An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Classification of real estate property
Management decides on acquisition of a real estate property whether it should be classified as trading, property held for development or investment property.

The group classifies property as trading property if it is acquired principally for sale in the ordinary course of business.

The group classifies property as property under development if it is acquired with the intention of development.

The group classifies property as investment property if it is acquired to generate rental income or for capital appreciation, or for undetermined future use.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and equipment.

Business combinations
Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

Fair value of financial instruments
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Significant influence
Significant influence exists when the size of an entity's own voting rights relative to the size and dispersion of other vote holders, give the entity the practical ability unilaterally to direct the relevant activities of the company

4- Subsidiary

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

Company name	Legal form	Country	Ownership percentage% 2016	Ownership percentage% 2015
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 based on the audited financial statements as of December 31, 2016.

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

Company name	Company activity	Country	Ownership percentage% 2016	2015
Educational Arabian 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, 2016.

5- Cash and cash equivalents

	2016	2015
Cash on hand	956	1,016
Cash at banks	213,966	250,985
Cash at investment portfolios	879,832	150,504
	1,094,754	402,505

6- Investments at fair value – statement of profit or loss

	2016	2015
Investments held for trading	1,407,029	1,401,137
Investments at fair value - statement of profit or loss	505,917	2,633,841
	1,912,946	4,034,978

	2016	2015
Investments in local shares – quoted	1,407,029	1,401,137
Investments in local shares – unquoted	410,976	2,485,912
Investments in local funds – unquoted	94,942	147,929
	1,912,946	4,034,978

- 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, 2016. 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 (2015: KD 404,762) mortgaged against Murabaha payables in favor of a related party.

7- Investment in associate

The investment in associate item stated as follow:

Company name	Ownership percentage%		Value (KD)	
Sarh Capital for Real Estate company K.S.C (Closed)	**2016**	2015	**2016**	2015
	%21.17	%20.56	**7,139,785**	7,041,157

The share of "the Group" has been stated in the results of the associate company based on management's reports as of December 31, 2016.

The investment's movement during the year was as follows:

	2016	2015
Balance at January 1,	**7,041,157**	11,507,636
Additions	**197,000**	143,250
Disposals	**-**	(4,823,418)
"The Group" share in an associate reserves	**73,838**	199,206
"The Group" share in the business results	**(172,210)**	14,483
Balance at December 31,	**7,139,785**	7,041,157

The below mentioned is a brief information about the associate company. The brief financial information below mentioned represents the amounts shown in the most recent financial statements of the Group which have been prepared in accordance with the International Financial Reporting Standards.

Sarh Capital for Real Estate company K.S.C (Closed):

	2016	2015
Assets	**39,162,296**	40,453,920
Liabilities	**5,395,187**	6,170,016
Total profits	**583,537**	177,339
(Loss)/profit for the year	**(815,331)**	76,934
Other comprehensive income for the year	**298,542**	1,056,596

The below mentioned is a settlement of the brief information mentioned above up to the book value of the Group's share in the company which is stated in the consolidated financial statements.

	2016	2015
Net assets of the associate	**33,767,109**	34,283,904
Group's ownership ratio (%)	**%21.17**	%20.56
"Group" share in net assets	**7,132,125**	7,035,497
Other settlement	**7,660**	7,660
Book value of the company	**7,139,785**	7,041,157

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8- Available for sale investments

	2016	2015
Local shares - quoted	**2,554,463**	3,633,929
Local shares - unquoted	**4,424,832**	2,990,290
Foreign shares - unquoted	**12,711**	12,711
	6,992,006	6,636,930

The investments in unquoted securities are stated by the last bid price or the acquisition cost due un available management method to measure its fair value.

9- Accounts receivable and other debit balances

	2016	2015
Trade receivables	**1,000,915**	350,000
Accrued revenue	**214,170**	-
Refundable deposits	**14,200**	6,954
Other	**6,516**	9,929
	1,235,801	366,883

10- Payable and other credit balance

	2016	2015
Accrued expenses	**29,691**	6,167
Dividends payable	**23,583**	23,583
Payable of purchase investment	**-**	73,123
Taxable deductions	**282,569**	302,392
Other	**61,587**	58,721
	397,430	463,986

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.

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12- Losses from investments

	2016	2015
Investments at fair value – statement of profit or loss		
Realized gains	**424,842**	113,994
Change in fair value	**(18,869)**	(541,233)
Cash dividends income	**-**	35,301
	405,973	(391,938)
Available for sale investments		
Realized (losses)/gains	**(286,639)**	3,174,061
Impairment in value	**(667,999)**	(6,129,169)
	(954,638)	(2,955,108)
	(548,665)	(3,347,046)

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:

	2016	2015
Net loss for the year attributable to shareholders of "the parent company"	**(922,858)**	(3,398,509)
Weighted average number of outstanding shares during the year/(share)	**318,624,230**	318,624,230
Loss per share/(fils)	**(2.90)**	(10.67)

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:

	2016	2015
Consolidated Statement of Financial position		
Due from related parties	**4,564,611**	4,748,407
Due to a related parties	**273,648**	155,448

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

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15- General Assembly of Shareholders

The General Assembly of Shareholders was held on May 4, 2016 has approved the consolidated financial statements for the financial year ended December 31, 2015, approved non remuneration granting for the Board of Directors for the financial year ended December 31, 2015 and non distribution for dividends have been distributed for the financial year ended December 31, 2015.

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.

	2016	2015
Net losses	**(548,665)**	(3,347,046)
Assets	**22,989,381**	23,233,034
Liabilities	**(671,078)**	(619,434)

	2016	2015
Total losses	**(548,665)**	(3,347,046)
Other revenues	**48,538**	471,441
Net loss for the year	**(500,127)**	(2,875,605)
Total segments assets		
Cash and cash equivalent	**1,094,754**	402,505
Investments at fair value –statement of profit or loss	**1,912,946**	4,034,978
Investment in an associate	**7,139,785**	7,041,157
Available for sale investments	**6,992,006**	6,636,930
Receivables and other debit balances	**1,235,801**	366,883
Due from related parties	**4,564,611**	4,748,407
Total Assets	**22,939,903**	23,230,860

"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:	**2016**	2015
Cash and cash equivalents	**1,094,754**	402,505
Investments at fair value – statement of profit or loss	**1,912,946**	4,034,978
Investments in associate	**7,139,785**	7,041,157
Available for sale investments	**6,992,006**	6,636,930
Receivables and other debit balances	**1,235,801**	366,883
Due from related parties	**4,564,611**	4,748,407
	22,939,903	23,230,860

Financial liabilities:	**2016**	2015
Payables and other credit balances	**397,430**	463,986
Due to related parties	**273,648**	155,448
	671,078	619,434

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.

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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, 2016				
Assets:				
Investments at fair value - statement of profit or loss				
Quoted shares	**1,407,028**	**-**	**-**	**1,407,028**
Unquoted shares	**-**	**-**	**410,976**	**410,976**
Investment funds	**-**	**94,942**	**-**	**94,942**
Available for sale investments				
Quoted shares	**2,554,463**	**-**	**-**	**2,554,463**
Unquoted shares	**-**	**-**	**4,437,543**	**4,437,543**
Net fair value	**3,961,491**	**94,942**	**4,848,519**	**8,904,952**

	Level 1	Level 2	Level 3	Total
December 31, 2015				
Assets:				
Investments at fair value - statement of profit or loss				
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

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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, 2016 is as follows:

	within one year	**More than one year**	**Total**
Payables and other credit balances	**360,710**	**36,720**	**397,430**
Due to related parties	**273,648**	**-**	**273,648**
	634,358	**36,720**	**671,078**

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

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- **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 profit or loss as of December 31, 2016 as a result of expected changes in Kuwait Stock Exchange by (±10%) (2015: ±10%) and other variables held constant is as follows:

	Effect on Consolidated statement of profit or loss	
	2016	2015
Investments at fair value – statement of profit or loss	**191,295**	403,498
Available for sale investment	**699,201**	663,693

18- Capital risks management

The "the Parent Company" manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders and other beneficiaries through the optimization of the debt and equity.

The capital structure of the "the Group" consists of equity which comprises share capital, statutory reserve, change in fair value reserve, aaccumulated losses and Non-controlling interests

Currently, The Group does not have borrowings or bank facilities.