Ektitab Holding Company - K.S.C Public

And its subsidiary
State of Kuwait
Interim Condensed Consolidated Financial Information
(Unaudited)
For the three months ended March 31, 2018
With Review Report

Ekttitab Holding Company - K.S.C Public
And its subsidiary
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
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Contents

The Board of Directors
Ekttitab Holding Company
K.S.C Public
And its subsidiary
State of 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 subsidiary (together referred to as "the Group") which comprise the interim condensed consolidated statement of financial position as of March 31, 2018 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended. The Parent company's management 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 Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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".

Report on other legal and regulatory matters

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting books of the "Parent Company". We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of year 2016 and its executive regulations, as amended, or law No. 7 of year 2010 in respect of the establishment of the Capital Market Authority and the Organization of Securities Activity, and its executive regulations or the Parent Company's memorandum and articles of association, as amended, that might have had a material effect on the business of the "Parent Company" or on its interim condensed consolidated financial position.

Abdul Husain M. AL-Rasheed
Licence No. 67 (A)
Rödl Middle East
Burgan International Accountants

May 14, 2018
State of Kuwait

Ekttitab Holding Company
K.S.C Public
And its subsidiary
State of Kuwait
Interim Condensed Consolidated Statement of Financial Position as at March 31, 2018 (Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Assets				
Cash and cash equivalents	4	**537,021**	773,860	975,216
Investments at fair value through profit or loss	5	**1,730,482**	1,688,512	2,465,770
Investments at fair value through other comprehensive income	6	**9,130,969**	-	-
Available for sale investments	7	**-**	13,522,709	7,320,576
Investments in associate	8	**4,670,458**	-	7,139,785
Receivables and other debit balances	9	**880,488**	975,276	1,233,332
Due from related parties	11	**4,555,808**	4,553,099	4,487,501
Property and equipment		**60,902**	53,400	49,622
Total assets		**21,566,128**	21,566,856	23,671,802
Liabilities and equity				
Liabilities				
Payables and other credit balances	10	**421,387**	427,713	406,472
Due to related parties	11	**1,413,832**	1,413,831	151,690
Total liabilities		**1,835,219**	1,841,544	558,162
Equity				
Share capital		**31,862,423**	31,862,423	31,862,423
Statutory reserve		**94,506**	94,506	94,506
Change in fair value reserve		**(2,867,126)**	(3,156,154)	(1,711,762)
The Group' share in associate reserves		**-**	-	262,805
Accumulated loss		**(9,363,469)**	(9,074,305)	(7,416,514)
Total equity attributable to the shareholders of "the Parent company"		**19,726,334**	19,726,470	23,091,458
Non-controlling interests		**4,575**	(1,158)	22,182
Total equity		**19,730,909**	19,725,312	23,113,640
Total liabilities and equity		**21,566,128**	21,566,856	23,671,802

Mohammed Salah Al-Ayoub
CEO

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

Ektitab Holding Company
K.S.C Public
And its subsidiary
State of Kuwait
Interim Condensed Consolidated Statement of profit or loss for the three months ended March 31, 2018
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	The three months ended March 31	
		2018	2017
Revenue			
(Loss)/gain on investments	12	**(166,636)**	394,151
Net revenue of contracts		**10,975**	8,410
		(155,661)	402,561
Expenses and other charges			
General and administrative expenses		**(114,637)**	(144,786)
Net (loss)/profit for the period before National Labor Support Tax & zakat		**(270,298)**	257,775
Zakat		**-**	(2,469)
National Labor Support Tax		**-**	(6,172)
Net (loss)/profit for the period		**(270,298)**	249,134
Attributable to:			
Shareholders of "the Parent company"		**(267,072)**	237,522
Non-controlling interests		**(3,226)**	11,612
Net (loss)/profit for the period		**(270,298)**	249,134
(Loss)/profit per share (fils)	13	**(0.84)**	0.75

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

Ekttitab Holding Company
K.S.C Public
And its subsidiary
State of Kuwait
Interim Condensed Consolidated Statement of profit or loss and other comprehensive income for the three months ended March 31, 2018
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	The three months ended March 31	
	2018	2017
Net (loss)/profit for the period	**(270,298)**	249,134
Other comprehensive income items:		
Items that will not be reclassified subsequently to the interim consolidated statement of profit or loss:		
Change in fair value of available for sale investments	-	307,603
Result of sale available for sale investments	-	238,600
Result of sale investments at fair value through other comprehensive income	**(49,130)**	-
Change in fair value of investments at fair value through other comprehensive income	**347,117**	-
Net other comprehensive income for the period	**297,987**	546,203
Total comprehensive income for the period	**27,689**	795,337
Attributable to:		
Shareholders of "the Parent company"	**21,956**	779,685
Non-controlling interests	**5,733**	15,652
Total comprehensive income for the period	**27,689**	795,337

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

Ekttitab Holding Company

K.S.C Public
And its subsidiary
State of Kuwait
Interim Condensed Consolidated Statement of Changes in Equity For the three months ended March 31, 2018
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Equity attributed to the shareholders of "the Parent company"							
	Share capital	Statutory reserve	Change in fair value reserve	Group share in associate reserves	Accumulated losses	Total	Non-controlling interests	Total
Balance at January 1, 2017	31,862,423	94,506	(2,253,925)	262,805	(7,654,036)	22,311,773	6,530	22,318,303
Net profit for the period	-	-	-	-	237,522	237,522	11,612	249,134
Other comprehensive income for the period	-	-	542,163	-	-	542,163	4,040	546,203
Total other comprehensive income for the period	-	-	542,163	-	237,522	779,685	15,652	795,337
Balance as of March 31, 2017	31,862,423	94,506	(1,711,762)	262,805	(7,416,514)	23,091,458	22,182	23,113,640
Balance at January 1, 2018	31,862,423	94,506	(3,156,154)	-	(9,074,305)	19,726,470	(1,158)	19,725,312
Impact of adopting IFRS 9 at January 1, 2018 (Note - 9)	-	-	-	-	(22,092)	(22,092)	-	(22,092)
Balance at January 1, 2018 (adjusted)	31,862,423	94,506	(3,156,154)	-	(9,096,397)	19,704,378	(1,158)	19,703,220
Net loss for the period	-	-	-	-	(267,072)	(267,072)	(3,226)	(270,298)
Other comprehensive income for the period	-	-	289,028	-	-	289,028	8,959	297,987
Total other comprehensive income for the period	-	-	289,028	-	(267,072)	21,956	5,733	27,689
Balance as of March 31, 2018	**31,862,423**	**94,506**	**(2,867,126)**	-	**(9,363,469)**	**19,726,334**	**4,575**	**19,730,909**

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

Ekttitab Holding Company
K.S.C Public
And its subsidiary
State of Kuwait
Interim Condensed Consolidated Statement of Cash Flows For the three months ended March 31, 2018
(Unaudited)
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended 31 March	
		2017	2016
Cash flows from operating activities			
Net (loss)/profit for the period		**(270,298)**	249,134
Adjustments:			
Depreciation of property and equipment		**-**	1,356
(Loss)/gain on investments		**166,636**	(394,151)
Operating loss before calculating the effect in working capital items		**(103,662)**	(143,661)
Receivables and other debit balances		**72,696**	2,469
Related parties		**(2,709)**	(44,848)
Payables and other credit balances		**(6,325)**	9,042
Net cash used in operating activities		**(40,000)**	(176,998)
Cash flows from investing activities			
Investments at fair value through statement of profit or loss		**(208,606)**	(279,424)
Paid for purchase investments at fair value through other comprehensive income		**(2,405,965)**	-
Proceeds from sale of investments at fair value through other comprehensive income		**4,651,275**	-
Paid for purchase of available for sale investments		**-**	(3,812,582)
Proceeds from sale of available for sale investments		**-**	4,146,926
Investments in associate		**(2,235,000)**	-
Purchase property and equipment		**(7,502)**	(1,500)
Net cash (used in)/generated from investing activities		**(205,798)**	53,420
Cash flows from financing activities			
Change on non-controlling interests		**8,959**	4,040
Net cash generated from financing activities		**8,959**	4,040
Net decrease in cash and cash equivalents		**(236,839)**	(119,538)
Cash and cash equivalents at the beginning of the period		**773,860**	1,094,754
Cash and cash equivalents at the end of the period	4	**537,021**	975,216

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

1. Brief on "the Parent company"

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

The purposes for which "the Parent company" was established are as follows:

- Owning shares of Kuwaiti or foreign shareholding companies, as well as ownership of shares in Kuwaiti or foreign limited liability companies or participation in the incorporation of these companies and its management.
- Lending the companies in which it owns shares and acting as its sponsor in front of third parties and in such case, the participation of the holding company in the capital of the putative company shouldn't be less than 20% at least.
- The ownership of the industrial property rights, patents, industrial relationships, industrial fees or any other relevant rights and lease the same to others to be utilized within or outside Kuwait.
- Owns moveable properties or real estate which it needs to carry out its activities in accordance with law.
- Utilization of excess funds available with the company by investing them in financial portfolios managed by specialized companies.

"The Parent" operates its activities according to Islamic sharia regulations.

"The Parent" Company's office is located at Jassim Al Asfour Complex – Floor 18 – Kuwait city.

This interim condensed consolidated financial information was approved for issuance by the Board of Directors on May 14, 2018.

2. Significant accounting policies

2/1) Basis of preparation

The interim condensed consolidated financial information of the "Group" has been prepared in accordance with IAS 34, "***Interim Financial Reporting***". Accordingly, it does not include all of the information and footnotes required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of "the Group" for the year ended December 31, 2017 except for the adoption of IFRS 9: Financial Instruments ("IFRS 9") and IFRS 15: Revenue from Contracts with Customers ("IFRS 15") from January 1, 2018. The changes in the accounting policies arising from the adoption of these standards are explained below.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the consolidated year ending December 31, 2018. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2017.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of "the Group".

2/2) Application of new International Financial Reporting Standards (IFRSs)

- **Adoption of IFRS 9: Financial Instruments**

The Group has adopted IFRS 9 issued in July 2014 with a date of initial application of January 1, 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

Financial assets

The Group classifies financial assets upon initial recognition of IFRS 9 into following categories:

- Fair Value Through Profit and Loss (FVTPL)
- Fair value though other comprehensive income (FVOCI)
- Amortised cost (AC)

All financial assets are initially measured at fair value. Transaction costs are added to the cost of all financial instruments except for financial assets classified as at fair value through profit or loss. Transaction costs on financial assets classified as at fair value through profit or loss are recognized in the interim condensed consolidated statement of profit or loss.

Fair value through profit and loss (FVTPL)

Financial assets whose business model is to acquire and sell, or whose contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding are classified as FVTPL.

In addition to the above, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified as FVTPL are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in the interim condensed consolidated statement of profit or loss. Interest income and dividends are recognised in the interim condensed consolidated statement of profit or loss according to the terms of the contract, or when the right to payment has been established.

Fair value through other comprehensive income (FVOCI)

Debt instruments at FVOCI

The Group classifies debt instruments at FVOCI if it meets both of the following conditions:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments classified as FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in the interim condensed consolidated statement of profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to interim condensed consolidated statement of profit or loss.

Equity instruments at FVOCI

Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as at FVOCI if they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity instruments at FVOCI are subsequently measured at fair value. Changes in fair value including foreign exchange gains and losses are recognised in OCI. Dividends are recognised in interim condensed consolidated statement of profit or loss when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI.

Equity instruments at FVOCI are not subject to an impairment assessment. On derecognition, cumulative gains or losses will be reclassified from fair value reserve to retained earnings in the interim condensed consolidated statement of changes in equity.

Amortised cost (AC)

The Group classifies financial assets at AC if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Financial assets classified at AC are subsequently measured at amortised cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains/losses and impairment are recognized in the interim condensed consolidated statement of profit or loss. Any gain or loss on derecognition is recognised in the interim condensed consolidated statement of profit or loss.

Financial liabilities

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from Group's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in OCI with no subsequent reclassification to the interim condensed consolidated statement of profit or loss.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

Classification and measurement of financial assets and financial liabilities

The Group determines classification and measurement category of financial assets, except equity instruments and derivatives, based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Group's assessment. The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account.

The SPPI test

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows met the SPPI test.

"Principal" for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a basic lending arrangement are typically the consideration for the time value of money, credit risk, other basic lending risks and a profit margin. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

The effect of the adoption of IFRS 9 regarding the classification and measurement of investments is the reclassification of certain of the Groups' investments in accordance with the requirements of the Standard as described in paragraphs (6) and (7) to the condensed consolidated interim financial statements and there is no impact on the interim condensed consolidation statement of profit or loss

Impairment of financial assets
IFRS 9 replaces the "incurred loss" model in IAS 39 with an "Expected Credit Loss" (ECL) model. Accordingly, the Group applies the new impairment model for its financial assets. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Incorporating forward-looking information increases the degree of judgment required as to how changes in these macro-economic factors will affect ECLs. The methodologies and assumptions including any forecasts of future economic conditions are reviewed regularly.

IFRS 9 introduces three-stage approach to measuring ECL. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12 months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognised.

Stage 2: Lifetime ECL – not credit impaired
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Stage 3: Lifetime ECL – credit impaired
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

The Group expects to apply the simplified approach to recognize lifetime expected credit losses for its trade receivables as permitted by IFRS 9. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component is categorized under stage 2 and lifetime ECL is recognised.

Objective evidence that debt instrument is impaired includes whether any payment of principal or profit is overdue by more than 90 days or there are any known difficulties in the cash flows including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen, deterioration in the value of collateral etc. The Group assesses whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets for AC.

The adoption of IFRS 9 with respect to the expected credit loss of financial assets (except for the loan to a related party). The effect of applying this standard is the additional amount as impairment of KD 22,092 included in the interim condensed consolidated statement of changes in equity as disclosed in (Note – 9) on the interim condensed consolidated financial information.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below:

a. Comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2017 under IFRS 9.
b. The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

- The determination of the business model within which a financial asset is held;
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL;
- The designation of certain investments in equity instruments not held for trading as at FVOCI.
- If a debt security had low credit risk at the date of initial application of IFRS 9, then the Group has assumed that credit risk on the asset had not increased significantly since its initial recognition.

2/3) Adoption of IFRS 15: Revenue from Contract from Customers

IFRS 15 was issued in May 2014 and is effective for annual periods commencing on or after January 1, 2018. IFRS 15 outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue guidance, which is found currently across several Standards and Interpretations within IFRS. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. It established a new five-step model that will apply to revenue arising from contracts with customers as follows:

Step 1 : Identify the contract(s) with a customer
Step 2 : Identify the performance obligations in the contract
Step 3 : Determine the transaction price
Step 4 : Allocate the transaction price to the performance obligations in the contract
Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

The Group adopted IFRS 15 "Revenue from Contract from Customers" resulting in no change in the revenue recognition policy of the Group in relation to its contracts with customers. Further, adoption of IFRS 15 had no impact on this interim condensed consolidated financial information of the Group.

Ekttitab Holding Company
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Notes to Interim Condensed Consolidated Financial Information For the three months ended March 31, 2018
(Unaudited)
(All amounts are in Kuwaiti Dinars unless otherwise stated)

2/4) Critical judgments and estimates

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

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying "the Group's" accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2017.

3. The subsidiary

The interim condensed consolidated financial Information include the financial information of "the parent company" and its subsidiary (together referred to as "The Group") as stated below:

			Ownership percentage%		
Company name	**Activity**	**Country**	**March 31, 2018**	December 31, 2017 (audited)	March 31, 2017
Petro Integrated Business Holding Company - K.S.C.(closed)	Holding Company	State of Kuwait	**%98.75**	%98.75	%96.25

The financial information of the subsidiary as of March 31, 2018 was consolidated based on financial information prepared by the management.

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

			Ownership percentage%		
Company name	**Activity**	**Country**	**March 31, 2018**	December 31, 2017 (audited)	March 31, 2017
Educational Ararbic Pen – K.S.C (closed)	Educational services	State of Kuwait	**99.33%**	99.33%	%98

The financial statement of the subsidiary was consolidated based on financial statements prepared by the management as of March 31, 2018.

4. Cash and cash equivalents

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Cash on hand	**1,977**	1,380	1,539
Cash at banks	**88,045**	111,688	114,661
Cash at investments portfolios	**446,999**	660,792	859,016
	537,021	773,860	975,216

5. Investments at fair value through profit or loss

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Investments held for trading	**1,226,507**	1,184,537	1,960,344
Investments at fair value through profit or loss	**503,975**	503,975	505,426
	1,730,482	1,688,512	2,465,770

Investments in local shares – quoted	**1,226,507**	1,184,537	1,941,404
Investments in foreign shares – quoted	**-**	-	18,940
Investments in local shares – unquoted	**410,976**	410,976	410,976
Investments in local funds	**92,999**	92,999	94,450
	1,730,482	1,688,512	2,465,770

- 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 technique methods as of March 31, 2018 The fair value of the financial investment in unquoted funds is determined based on the net value of unit funds.

- Investments at fair value through profit or loss include investments with an amount of KD 404,762(KD 404,762 as of December 31, 2017 – KD 404,762 as of March 31, 2017) mortgaged against Murabaha payables in favor of a related party.

6. Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income are non-trading equity securities for which the management has made an irrevocable decision on initial recognition to recognize changes in fair value through statement of other comprehensive income as its strategic investments and the Group considers it more relevant, and as a result and in accordance with IFRS 9 as of January 1, 2018. The Group decided to reclassify investments with an amount of KD 13,522,709 from available for sale investments (Note 7).

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Investments in quoted shares	**6,322,321**	-	-
Investments in unquoted shares	**2,808,648**	-	-
	9,130,969	-	-

The movement in investments at fair value through other comprehensive income during the period/year/period is as follows:

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Transferred from available-for-sale investments	**13,522,709**	-	-
Additions	**170,965**	-	-
Disposals	**(2,425,234)**	-	-
Transferred to an investment in an associate	**(2,435,458)**	-	-
Change in fair value	**297,987**	-	-
	9,130,969	-	-

- At the end of the current financial period, the Group has increased the share it owns in Dar El Salam for Takaful Insurance Company K.S.C (closed). Consequently, the Group has obtained a significant influence on the financial and operational policies of the company. Accordingly the classification of these assets has been changed from investment at fair value through other comprehensive income to investment in associate. This transaction has been eliminated from interim condensed consolidated cash flow, as it is non cash transaction.

- The investment at fair value through other comprehensive income is valued in accordance with the valuation technique disclosed in (Note 15).

7. Available for sale investments

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Local quoted shares	-	6,043,604	2,883,037
Local unquoted shares	-	7,479,105	4,437,539
	-	13,522,709	7,320,576

On January 1, 2018 the Group applied IFRS 9, as a result of that, the classification for available for sale with a book value of KD 13,522,709 has been reclassified to investment at fair value through the other comprehensive income (Note 6)

Ekttitab Holding Company
K.S.C Public
And its subsidiary
State of Kuwait
Notes to Interim Condensed Consolidated Financial Information For the three months ended March 31, 2018
(Unaudited)
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8. Investment in associate

The statement of investment in associate was as follow:

Company name	Ownership percentage%			Value (KD)		
	March 31, 2018	December 31, 2017 (audited)	March 31, 2017	**March 31, 2018**	December 31, 2017 (audited)	March 31, 2017
Sarh Capital for Real Estate company K.S.C (closed)	-	-	%21.17	-	-	7,139,785
Dar Al Salam Takaful Insurance Company K.S.C (closed)	**47.21%**	-	**4,670,458**	-	-	-

At the end of the current financial period, the Group's investment held in Dar El Salam Takaful Insurance Company K.S.C (closed) was increased to be 47.21% as of March 31, 2018. Accordingly the Group has obtained a significant influence on the financial and operational policies of the company. Accordingly, the investment has been reclassified from fair value through other comprehensive income to investment in associate (Note 6), the Group has not proved its share of results for the company as the acquisition took place at the end of the current financial period.

The investment's movement was as follow:

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Balance at January 1,	-	7,139,785	7,139,785
Additions	**2,235,000**	1,527,097	-
Disposals	-	(4,902,658)	
"The Group" share in an associate share result	-	(344,171)	-
Transfer from/(to) investments at fair value through other comprehensive income	**2,435,458**	(3,420,053)	-
	4,670,458	-	7,139,785

9. Accounts receivable and other debit balances

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Trade receivables	**651,555**	651,555	1,000,915
Provision of doubtful debts	**(22,092)**	-	-
	629,463	651,555	1,000,915
Accrued revenue	**229,701**	301,777	214,170
Refundable deposits	**15,200**	15,200	14,200
Other	**6,124**	6,744	4,047
	880,488	975,276	1,233,332

When IFRS 9 was applied on January 1, 2018 the Group valued its excepted credit loss, under IFRS 9, and has recorded the additional amount of decrease in value with an amount of KD 22,092 in trade receivables. This amount has settled in the opening accumulated loss balances.

10. Payable and other credit balance

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Accrued expenses	**67,689**	67,906	29,593
Dividends payable	**23,583**	23,583	23,583
Taxable deductions	**262,569**	270,569	287,209
Other	**67,546**	65,655	66,087
	421,387	427,713	406,472

11. Related party transactions

Related parties are the Company's 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 Parent's management approval, there were transactions with related parties, the existing major shareholder, its subsidiary, the transactions was conducted based on the terms and conditions with others also with the approval of the Board of Directors, the significant transactions and outstanding balances with related parties, other than what disclosed in other notes, were as follows:

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Interim Condensed Consolidated statement of Financial position			
Due from related parties	**4,555,808**	4,553,099	4,487,501
Due to related parties	**1,413,832**	1,413,831	151,690

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

Interim Condensed Consolidated statement of profit

The interim condensed consolidated statement of profit or loss and other comprehensive income did not include transactions with related parties.

12. (Loss)/gain on investments

	Three months ended March 31 2018	2017
Realized loss for investments at fair value through statement of profit or loss	**(1,637)**	(18,108)
Change in fair value for investments at fair value through statement of profit or loss	**(164,999)**	291,508
Realized gain of available for sale investments	**-**	120,751
	(166,636)	394,151

13. (Loss)/gain per share (Fils)

(Loss)/gain per share to shareholders of "the Parent company" is calculated by dividing net (loss)/ gain for the period by the weighted average number of outstanding shares during the period as follows the calculation of (loss)/gain per share:

	Three months ended March 31	
	2018	2017
Net (loss)/gain for the period attributable to shareholders of "the parent company"	**(267,072)**	237,522
Weighted average number of outstanding shares during the period /(share)	**318,624,230**	318,624,230
(Loss)/gain per share (fils)	**(0.84)**	0.75

14. Ordinary General Assembly

The Annual General Assembly of the Shareholders was held on May 3, 2018 the consolidated financial statement for the year ended December 31, 2017 was approved, the Board of Directors recommended non distribution of dividends for the financial year ended December 31, 2017 as well as non-distribution of remunerations for the Board of Directors for the financial year ended December 31, 2017.

15. 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:

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Cash and cash equivalents	**537,021**	773,860	975,216
Investments at fair value through profit or loss	**1,730,482**	1,688,512	2,465,770
Investments at fair value through other comprehensive income	**9,130,969**	-	-
Available for sale investment	**-**	13,522,709	7,320,576
Receivables and other debit balances	**880,488**	975,276	1,233,332
Due from related parties	**4,555,808**	4,553,099	4,487,501
Investments in associate	**4,670,458**	-	7,139,785
	21,505,226	21,513,456	23,622,180

Financial liabilities:

	March 31, 2018	December 31, 2017 (audited)	March 31, 2017
Payables and other credit balances	**421,387**	427,713	406,472
Due to related parties	**1,413,832**	1,413,831	151,690
	1,835,219	1,841,544	558,162

Fair value of financial instruments

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

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active market are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flows analysis using prices from observable current market transactions and dealer quotes for similar instrument.

Fair value of the non-derivative financial instruments is not materially different from its respective carrying value.

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

The hierarchy levels of fair value are set out below:

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

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
March 31, 2018				
Assets:				
Investments at fair value through profit or loss				
Quoted shares	1,226,507	-	-	1,226,507
Unquoted shares	-	-	410,976	410,976
Investment funds		92,999	-	92,999
Investments at fair value through other comprehensive income				
Quoted shares	6,322,321	-	-	6,322,321
Unquoted shares	-	-	2,808,648	2,808,648
Net fair value	7,548,828	92,999	3,219,624	10,861,451

March 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Investments at fair value through profit or loss				
Quoted shares	1,960,344	-	-	1,960,344
Unquoted shares	-	-	410,976	410,976
Investment funds	-	94,450	-	94,450
Available for sale investments				
Quoted shares	2,883,037	-	-	2,883,037
Unquoted shares	-	-	4,437,539	4,437,539
Net fair value	4,843,381	94,450	4,848,515	9,786,346

During the period there was no transfer between the levels.

16. Segment distribution

"The Group's" activities are mainly concentrated in the investment segment in state of Kuwait.