

Interim condensed consolidated financial information and review report  
**Al-Nawadi Holding Company – KSC (Closed)**  
**and Subsidiaries**  
**Kuwait**  
30 September 2017 (Unaudited)

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## Report on review of interim condensed consolidated financial information

To the board of directors of  
Al-Nawadi Holding Company – KSC (Closed)  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Nawadi Holding Company (Kuwait Shareholding Company Closed) (the "Parent Company") and its subsidiaries as of 30 September 2017 and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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 34, "Interim Financial Reporting".

### **Report on review of other legal and regulatory requirements**

Based on our review, the interim condensed consolidated financial information is in agreement with the 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 2016 and its Executive Regulations, as amended, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the nine-month period ended 30 September 2017 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)  
(Licence No. 94-A)  
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait  
17 December 2017

## Interim condensed consolidated statement of profit or loss and comprehensive income

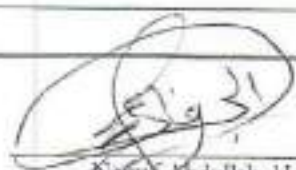
|   | Notes | Three months ended                    |                                       | Nine months ended                     |                                       |
|---|-------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|   |       | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
| <b>Income</b>   |       |                                       |                                       |                                       |                                       |
| Net services income   |       | 1,460,520                             | 1,687,464                             | 3,840,122                             | 4,320,915                             |
| Cost of services  |       | (533,897)                             | (549,144)                             | (1,682,382)                           | (1,540,773)                           |
| <b>Gross profit of services</b>   |       | <b>926,623</b>                        | <b>1,138,360</b>                      | <b>2,257,740</b>                      | <b>2,780,142</b>                      |
| Rental income   |       | 631,753                               | 619,547                               | 1,961,805                             | 1,872,700                             |
| Unrealised gain/(loss) from investments at fair value through statement of profit or loss |       | 73,023                                | 1,084                                 | 89,157                                | (21,106)                              |
| Dividends income  |       | 17,324                                | 11,847                                | 17,324                                | 11,647                                |
| Other income  |       | 9,847                                 | 28,529                                | 102,973                               | 61,754                                |
|   |       | <b>1,658,570</b>                      | <b>1,787,510</b>                      | <b>4,428,999</b>                      | <b>4,725,137</b>                      |
| <b>Expenses and other charges</b>   |       |                                       |                                       |                                       |                                       |
| General and administrative expenses   |       | (209,029)                             | (205,371)                             | (593,936)                             | (615,516)                             |
| Staff costs   |       | (243,257)                             | (253,937)                             | (726,849)                             | (662,453)                             |
| Depreciation  |       | (1,651)                               | (1,517)                               | (6,473)                               | (4,563)                               |
| Finance costs   |       | (333,620)                             | (169,349)                             | (811,443)                             | (486,604)                             |
|   |       | <b>(787,557)</b>                      | <b>(630,174)</b>                      | <b>(2,138,801)</b>                    | <b>(1,769,136)</b>                    |
| <b>Profit before provisions for contribution to KFAS, NLST and Zakat</b>                  |       | <b>871,013</b>                        | <b>1,157,338</b>                      | <b>2,290,198</b>                      | <b>2,956,001</b>                      |
| Provision for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)    |       | (7,683)                               | (10,418)                              | (20,612)                              | (26,604)                              |
| Provision for National Labour Support Tax (NLST)  |       | -                                     | (29,741)                              | -                                     | (74,970)                              |
| Provision for Zakat   |       | (8,537)                               | (11,896)                              | (23,007)                              | (29,988)                              |
| <b>Profit for the period</b>  |       | <b>854,793</b>                        | <b>1,105,283</b>                      | <b>2,246,579</b>                      | <b>2,824,439</b>                      |
| Other comprehensive income  |       | -                                     | -                                     | -                                     | -                                     |
| <b>Total comprehensive income for the period</b>  |       | <b>854,793</b>                        | <b>1,105,283</b>                      | <b>2,246,579</b>                      | <b>2,824,439</b>                      |
| <b>Basic and diluted earnings per share</b>   | 4     | <b>4.07 Fils</b>                      | <b>6.08 Fils</b>                      | <b>10.70 Fils</b>                     | <b>15.53 Fils</b>                     |

The notes set out on pages 6 to 14 form an integral part of this interim condensed consolidated financial information.



## Interim condensed consolidated statement of financial position

|   | Notes | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|---|-------|---------------------------------------|------------------------------------|---------------------------------------|
| <b>Assets</b>   |       |                                       |                                    |                                       |
| <b>Current assets</b>                                 |       |                                       |                                    |                                       |
| Cash and cash equivalents                             | 6     | 13,414,827                            | 335,977                            | 1,398,663                             |
| Investments at fair value through statement of income | 7     | 591,762                               | 502,605                            | 421,444                               |
| Accounts receivable and other debit balances          |       | 2,878,085                             | 1,930,725                          | 2,328,997                             |
| Inventories   |       | 91,416                                | 65,587                             | 75,454                                |
|   |       | 16,976,090                            | 2,854,894                          | 4,224,558                             |
| <b>Non-current assets</b>                             |       |                                       |                                    |                                       |
| Goodwill  |       | 1,897,335                             | 1,897,335                          | 1,867,335                             |
| Property, plant and equipment                         |       | 657,050                               | 872,630                            | 941,209                               |
| Properties of health clubs and SPA's                  | 8     | 49,095,983                            | 46,901,604                         | 42,557,293                            |
|   |       | 51,650,368                            | 48,671,569                         | 45,365,837                            |
| <b>Total assets</b>                                   |       | <b>68,626,458</b>                     | <b>51,526,463</b>                  | <b>49,620,395</b>                     |
| <b>Liabilities and equity</b>                         |       |                                       |                                    |                                       |
| <b>Current liabilities</b>                            |       |                                       |                                    |                                       |
| Ijara and Tawarruq contracts facility                 | 9     | 18,681,255                            | 15,314,306                         | 15,872,308                            |
| Long term loan – the current portion                  | 10    | 3,850,000                             | -                                  | -                                     |
| Accounts payable and other credit balances            |       | 2,953,046                             | 4,116,766                          | 3,317,264                             |
|   |       | 25,484,301                            | 19,431,072                         | 19,189,570                            |
| <b>Non-current liabilities</b>                        |       |                                       |                                    |                                       |
| Provision for staff indemnity                         |       | 421,256                               | 371,065                            | 357,122                               |
| Long term loan  | 10    | 8,750,000                             | -                                  | -                                     |
|   |       | 9,171,256                             | 371,065                            | 357,122                               |
| <b>Total liabilities</b>                              |       | <b>34,655,557</b>                     | <b>19,802,137</b>                  | <b>19,546,692</b>                     |
| <b>Equity</b>   |       |                                       |                                    |                                       |
| Share capital   | 11    | 21,001,820                            | 20,001,733                         | 20,001,733                            |
| Share premium   |       | 100,520                               | 100,520                            | 100,520                               |
| Legal reserve   |       | 2,084,054                             | 2,084,054                          | 1,623,746                             |
| Voluntary reserve                                     |       | 2,084,054                             | 2,084,054                          | 1,623,746                             |
| Retained earnings                                     |       | 8,700,453                             | 7,453,965                          | 8,723,958                             |
| <b>Total equity</b>                                   |       | <b>33,970,901</b>                     | <b>31,724,326</b>                  | <b>30,073,703</b>                     |
| <b>Total liabilities and equity</b>                   |       | <b>68,626,458</b>                     | <b>51,526,463</b>                  | <b>49,620,395</b>                     |

  
Nawas Abdullah Al Rifae  
Chairman



## Interim condensed consolidated statement of changes in equity

|   | Share<br>Capital<br>KD | Share<br>premium<br>KD | Legal<br>reserve<br>KD | Voluntary<br>reserve<br>KD | Retained<br>earnings<br>KD | Total<br>KD |
|---|------------------------|------------------------|------------------------|----------------------------|----------------------------|-------------|
| Balance as at 1 January 2017                | 20,001,733             | 100,520                | 2,084,054              | 2,084,054                  | 7,453,961                  | 31,724,322  |
| Distribution of bonus shares (note 11)      | 1,000,087              | -                      | -                      | -                          | (1,000,087)                | -           |
| Total transactions with owners              | 1,000,087              | -                      | -                      | -                          | (1,000,087)                | -           |
| Profit for the period                       | -                      | -                      | -                      | -                          | 2,246,579                  | 2,246,579   |
| Balance as at 30 September 2017 (Unaudited) | 21,001,820             | 100,520                | 2,084,054              | 2,084,054                  | 8,700,453                  | 33,970,901  |
| <b>Balance as at 1 January 2016</b>         | 18,183,304             | 100,520                | 1,823,746              | 1,823,746                  | 5,717,858                  | 27,249,264  |
| Distribution of bonus shares (note 10)      | 1,818,339              | -                      | -                      | -                          | (1,818,339)                | -           |
| Total transactions with owners              | 1,818,339              | -                      | -                      | -                          | (1,818,339)                | -           |
| Profit for the period                       | -                      | -                      | -                      | -                          | 2,824,439                  | 2,824,439   |
| Balance as at 30 September 2016 (Unaudited) | 20,001,733             | 100,520                | 1,823,746              | 1,623,746                  | 6,723,958                  | 30,073,703  |

As set out on pages 6 to 14 form an integral part of the interim condensed consolidated financial information.

## Interim condensed consolidated statement of cash flows

|   | Note     | Nine months<br>ended 30<br>Sept. 2017<br>(Unaudited)<br>KD | Nine months<br>ended 30<br>Sept. 2016<br>(Unaudited)<br>KD |
|---|----------|--|--|
| <b>OPERATING ACTIVITIES</b>                                   |          |  |  |
| Profit for the period   |          | 2,246,579  | 2,624,439  |
| <b>Adjustments:</b>   |          |  |  |
| Depreciation  |          | 267,965  | 83,584   |
| Finance costs   |          | 477,823  | 143,751  |
| Dividends income  |          | (17,324)   | (5,610)  |
| Provision for staff indemnity                                 |          | 53,184   | 79,278   |
|   |          | <b>3,028,227</b>   | <b>3,125,442</b>   |
| <b>Changes in operating assets and liabilities:</b>           |          |  |  |
| Investments at fair value through profit or loss              |          | (89,157)   | 21,107   |
| Accounts receivable and other debit balances                  |          | (947,360)  | (392,972)  |
| Inventories   |          | (5,829)  | (2,196)  |
| Accounts payable and other credit balances                    |          | (1,163,720)  | (55,263)   |
| Employees' end of service benefits paid                       |          | (2,993)  | (24,818)   |
| <b>Net cash from operating activities</b>                     |          | <b>819,168</b>   | <b>2,671,300</b>   |
| <b>INVESTING ACTIVITIES</b>                                   |          |  |  |
| Acquisition of new subsidiary                                 |          | -  | (600,000)  |
| Purchase of property, plant and equipment                     |          | (115,362)  | 40,435   |
| Net additions to properties of health clubs and spa's         |          | (3,194,379)  | (1,822,293)  |
| Net book value of disposed property, plant and equipment      |          | 62,973   | -  |
| Dividends income received                                     |          | 17,324   | 5,610  |
| <b>Net cash used in investing activities</b>                  |          | <b>(3,229,444)</b>   | <b>(2,276,248)</b>   |
| <b>FINANCING ACTIVITIES</b>                                   |          |  |  |
| Net change in Ijara and Tawarroq payables                     |          | 5,966,949  | (1,207,895)  |
| Net change in long term loan                                  |          | 10,000,000   | -  |
| Finance costs paid  |          | (477,823)  | (143,751)  |
| <b>Net cash generated from/(used in) financing activities</b> |          | <b>15,489,126</b>  | <b>(1,351,446)</b>   |
| <b>Increase/(decrease) in cash and cash equivalents</b>       |          | <b>13,078,850</b>  | <b>(956,394)</b>   |
| Cash and cash equivalents at beginning of the period          | 6        | 336,977  | 2,355,057  |
| <b>Cash and cash equivalents at end of the period</b>         | <b>6</b> | <b>13,414,827</b>  | <b>1,398,663</b>   |

The notes set out on pages 6 to 14 form an integral part of this interim condensed consolidated financial information.



## Notes to the interim condensed consolidated financial information

### 1 Incorporation of the parent company and its activities

The company was incorporated on 28 September 2004 in the name of Al-Thuraya International Holding Company - KSC (Closed). On 30 April 2006 the company's name was changed from Al-Thuraya International Holding Company - KSC (Closed) to Al-Nawadi Holding Company - KPSC. The Company's shares were listed in the Kuwait Stock Exchange on 31 May 2010 and was withdrawn their shares from Stock Exchange on 10 May 2016 and the parent company's shares are no longer traded on the Kuwait Stock Exchange. On 19 July 2016 the Company's Memorandum of Association and license was amended from Al-Nawadi Holding Company - KPSC to Al-Nawadi Holding Company - KSC (Closed).

Objectives of the parent company:

- Acquire shares in Kuwaiti or non-Kuwaiti companies and participate in the establishment of these companies.
- Participate in the management of the companies in which it has shares.
- Lend the companies in which it has shares and sponsor same with others.
- Acquire movables and real estate properties necessary to practice its activity within the limits permitted by the law.
- Acquire the industrial ownership rights such as patents, industrial trade marks, industrial fees or any other related rights and rent out them to other companies to utilize same inside or outside Kuwait.
- Utilize the financial surpluses available with the company by investing same in financial and real estate portfolios managed by specialized companies.

The address of the parent company is: P. O. Box 34107, Al-Adaiiya 73252 - State of Kuwait.

This interim condensed consolidated financial information for the nine-month period ended 30 September 2017 was authorised for issue by the parent company's board of directors on 17 December 2017.

### 2 Basis of presentation

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements of the group for the year ended 31 December 2016 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional currency of the group.

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

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

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



## Notes to the interim condensed consolidated financial information (continued)

### 2 Basis of presentation (continued)

Operating results for the nine-month period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017. For further details, refer to the consolidated financial statements and its disclosures for the year ended 31 December 2016.

#### Basis of consolidation

The consolidated financial information includes the financial information of the parent company and its subsidiaries for the nine-months period ended 30 September 2017 (Note 5). All material balances, transactions, realized and unrealized profits between companies are eliminated upon consolidation.

### 3 Significant accounting policies

The interim condensed consolidated financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended 31 December 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted new accounting pronouncements which have become effective for the first time in 2017, none of which had any significant impact on the Group's results or financial position. These are:

| <i>Standard or Interpretation</i>   | <i>Effective for annual periods beginning</i> |
|---|---|
| IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments                   | 1 January 2017                                |
| IAS 1 Disclosure Initiative – Amendments  | 1 January 2017                                |
| IAS 16 and IAS 41 Agriculture: Bearer Plants - Amendments   | 1 January 2017                                |
| IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments | 1 January 2017                                |
| IAS 27 Equity Method in Separate Financial Statements - Amendments                                  | 1 January 2017                                |
| IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception – Amendments  | 1 January 2017                                |
| Annual Improvements to IFRSs 2012–2014 Cycle  | 1 January 2017                                |

### 4 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

|   | Three months ended              |                                 | Nine months ended               |                                 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | 30 Sept.<br>2017<br>(Unaudited) | 30 Sept.<br>2016<br>(Unaudited) | 30 Sept.<br>2017<br>(Unaudited) | 30 Sept.<br>2016<br>(Unaudited) |
| Profit for the period (KD)  | 854,793                         | 1,105,283                       | 2,246,579                       | 2,824,439                       |
| Weighted average number of shares outstanding during the period (share) | 210,018,200                     | 181,833,939                     | 210,018,200                     | 181,833,939                     |
| Basic and diluted earnings per share (Fils)                             | 4.07                            | 6.08                            | 10.70                           | 15.53                           |

## Notes to the interim condensed consolidated financial information (continued)

### 5 Subsidiary companies

The details of the consolidated subsidiaries which are incorporated in the State of Kuwait are as follows:

| Name of company  | Ownership %      |                 |                  | Purpose   |
|--|------------------|-----------------|------------------|---|
|  | 30 Sept.<br>2017 | 31 Dec.<br>2016 | 30 Sept.<br>2016 |   |
|  | (Unaudited)      | (Audited)       | (Unaudited)      |   |
| Al-Shyma for Medical Management and Care Co. – WLL             | 99               | 99              | 99               | Preparing hospitals, clinic and medical laboratory, Presenting food meals |
| Platinum General Trading Co. – WLL                             | 99               | 99              | 99               | General trading   |
| The Triple General Trading and Contracting Co. – WLL           | 99               | 99              | 99               | General trading and contracting   |
| Platinum sport for artistic production Co. –WLL                | 100              | 100             | 100              | Artistic production – advertising   |
| Platinum Kuwait for general contracting for building Co. – WLL | 100              | 100             | 100              | Building maintenance  |

### 6 Cash and cash equivalents

|  | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Cash and bank balances                   | 3,395,327                             | 316,477                            | 1,378,967                             |
| Term deposits (maturing within 3 months) | 10,019,500                            | 19,500                             | 19,696                                |
| Cash and cash equivalents                | 13,414,827                            | 335,977                            | 1,398,663                             |

Term deposits represent deposits with local banks, with an average profit rate of between 1% to 2% (31 Dec 2016: 1%).

### 7 Investments at fair value through statement of income

|                                | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|--------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| Investments in quoted shares   | 423,970                               | 324,443                            | 290,707                               |
| Investments in unquoted shares | 1,838                                 | 27,479                             | 1,832                                 |
| Investment funds               | 165,954                               | 150,683                            | 128,905                               |
|                                | 591,762                               | 502,605                            | 421,444                               |

### 8 Properties of health clubs and SPA's

|   | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|---|---------------------------------------|------------------------------------|---------------------------------------|
| Fair value at the beginning of the period/year            | 45,901,504                            | 40,735,000                         | 40,735,000                            |
| Net additions during the period/year                      | 3,194,359                             | 5,193,492                          | 1,822,293                             |
| Disposals during the period (sale of investment property) | -                                     | (405,000)                          | -                                     |
| Change in fair value                                      | -                                     | 378,112                            | -                                     |
| Fair value at the end of the period/year                  | 49,095,863                            | 45,901,604                         | 42,557,293                            |

## Notes to the interim condensed consolidated financial information (continued)

### 8 Properties of health clubs and SPA's (continued)

The breakup of properties of health clubs and SPA's is as follows:

|  | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| <b>Completed properties of health clubs &amp; SPA's</b>                |                                       |                                    |                                       |
| Property of Platinum Health Institute – Mahboula - below (c)           | 5,165,000                             | 5,165,000                          | 5,100,000                             |
| Property of Platinum Health Institute – Kifan                          | 3,250,000                             | 3,250,000                          | 3,250,000                             |
| Property of 21C – Free Trade Zone                                      | -                                     | -                                  | 405,000                               |
| Property of Platinum Health Institute – Messilah - below (b) (c)       | 10,002,000                            | 9,952,000                          | 9,922,442                             |
| Mirai Commercial Tower – Al-Manqaf Sea area (Right of use)             | 4,480,000                             | 4,480,000                          | 4,337,015                             |
| Farwaniya properties – below (b) (c)                                   | 1,617,000                             | 1,600,000                          | -                                     |
| Commercial Tower – Salmiya – below (b) (c)                             | 6,536,000                             | 6,490,000                          | 6,390,562                             |
| <b>Total completed properties of health clubs &amp; SPA's</b>          | <b>31,050,000</b>                     | <b>30,937,000</b>                  | <b>29,405,049</b>                     |
| <b>Properties of health clubs &amp; SPA's under construction</b>       |                                       |                                    |                                       |
| Al-Abdali land   | 56,249                                | -                                  | -                                     |
| Levels tower – Al-Salmiya (Marina) – below (a) (c)                     | 16,609,684                            | 14,290,000                         | 13,152,244                            |
| Property of Sabah AL-Salom Health Institute                            | 1,188,870                             | 674,604                            | -                                     |
| Property of Al-Khiran Health Institute                                 | 191,180                               | -                                  | -                                     |
| <b>Total properties of health clubs &amp; SPA's under construction</b> | <b>18,045,983</b>                     | <b>14,964,604</b>                  | <b>13,152,244</b>                     |
| <b>Total properties of health clubs &amp; SPA's</b>                    | <b>49,095,983</b>                     | <b>45,901,604</b>                  | <b>42,557,293</b>                     |

- a) During 2015 the group started an investment project in the free hold land (Levels tower Salmiya - Marina) to build a commercial complex. The Free hold land and building valued at KD11,440,000 was transferred to properties of health clubs & SPA's under construction.
- b) During the period the group starts work on expansion for property of Platinum Health Institute in Messilah area, property of commercial tower Salmiya and property of Farwaniya.
- c) During the period the group was mortgage a real estate valued of KD34,764,684 against a Tawarruq contract from a local Islamic bank. Note (9.3), (10).

### 9 Ijara and Tawarruq contracts facility

9.1 During the year 2016 the group rescheduled and reclassified its bank facilities granted by local Islamic bank as follows:

|                                     | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|-------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
| Ijara contracts facility – (9.2)    | -                                     | 15,314,306                         | 15,872,306                            |
| Tawarruq contracts facility – (9.3) | 21,281,255                            | -                                  | -                                     |
|                                     | <b>21,281,255</b>                     | <b>15,314,306</b>                  | <b>15,872,306</b>                     |



## Notes to the interim condensed consolidated financial information (continued)

### 9 Ijara and Tawarruq contracts facility (continued)

#### 9.2 Ijara contracts facility

The movement on Ijara contracts facility during the period appear as follows:

|  | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Total Ijara contracts facility before combination                            | 15,314,306                            | 8,717,014                          | 8,598,356                             |
| Transferred from Tawarruq contract facility resulting from combination (9.3) | -                                     | 7,932,878                          | 7,932,878                             |
| Total Ijara contracts facility   | 15,314,306                            | 16,649,892                         | 17,529,234                            |
| Less: Paid instalments   | (263,054)                             | (1,488,000)                        | (1,116,000)                           |
| Less: Deferred finance costs   | (108,946)                             | (152,414)                          | (540,928)                             |
| Less: Remaining payment of contract  | (14,942,306)                          | -                                  | -                                     |
| Net facilities at the end of the period / year                               | -                                     | (152,414)                          | 15,872,306                            |

On 27 March 2017 the Ijara contract was fully paid by new Tawarruq contract. Note (9.3)

On 14 March 2016 the group has merged Ijara and Tawarruq contracts to one contract and renewed it with amount of KD16,988,306 due in 12 equal monthly instalments amounting to KD186,000 each starting on 14 April 2016 and the last installment amounting of KD14,942,306 matures on 14 March 2017 and It is renewable.

Ijara contracts facilities carry profit rates ranging between 4.50% - 4.75% per annum, Ijara contracts mature within one year and its all appear in current liabilities during the period.

#### 9.3 Tawarruq contracts facility

The movement on Tawarruq contracts facility during the year appear as follows:

|  | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Tawarruq (a)   | 15,690,380                            | 8,362,987                          | 8,362,987                             |
| Tawarruq (b)   | 2,812,500                             | -                                  | -                                     |
| Tawarruq (c)   | 1,567,500                             | -                                  | -                                     |
| Total Tawarruq contracts facility                                | 19,870,380                            | 8,362,987                          | 8,362,987                             |
| Less: Paid instalments   | (764,438)                             | (273,423)                          | (273,423)                             |
| Less: Deferred finance costs                                     | (424,687)                             | (156,686)                          | (156,686)                             |
| Transferred to Ijara contract resulting from combination – (9.2) | -                                     | (7,932,878)                        | (7,932,878)                           |
| Net Tawarruq contract facility at the end of the period          | 18,681,255                            | -                                  | -                                     |

- a) On 27 March 2017 the Ijara contract was fully paid - note (9.1), by new Tawarruq contract amounting to KD15,690,380 in equal monthly instalments of 12 instalments in the amount of KD186,000 per premium, commencing on 20 April 2017 and the last instalment of KD13,644,380 is due on 20 March 2018 and the contract is renewable.



## Notes to the interim condensed consolidated financial information (continued)

### 9 Ijara and Tawarruq contracts facility (continued)

#### 9.3 Tawarruq contracts facility (continued)

- b) On March 27, 2017 an additional Tawarruq contract amount of KD2,612,500 will pay for quarterly instalments of KD28,125, beginning on 27 June 2017 and the last instalment of KD2,528,125 due on 27 March 2018 and the contract is renewable.
- c) On June 5, 2017 an additional Tawarruq contract amount of KD1,567,500 will pay for three instalments of KD16,875 beginning on 31 August 2017 and the last instalment of KD1,516,875 due on 31 May 2018 and the contract is renewable.

Tawarruq contracts facilities carry profit rates ranging 4.5% - 4.75% per annum, Tawarruq contracts mature within one year and its all appear in current liabilities during the period.

### 10 Long term loan

|   | Current<br>portion | Non-current<br>portion | Total             |
|---|--------------------|------------------------|-------------------|
| Term loan bearing annual interest of 4.5% and paid on semi-annual equal instalments till January 2025 | 1,250,000          | 8,750,000              | 10,000,000        |
| Term loan bearing annual interest of 1.9% and paid in November 2017                                   | 2,600,000          | -                      | 2,600,000         |
| <b>Balance as at 30 September 2017</b>  | <b>3,850,000</b>   | <b>8,750,000</b>       | <b>12,600,000</b> |

### 11 Annual general assembly

The ordinary and non-ordinary general assembly of shareholders held on 11 June 2017 approved the financial statements for the year ended 31 December 2016 and the directors' proposal to distribute bonus shares at the rate of 5% of the paid-up share capital, equivalent to KD1,000,087 and approved in the non-ordinary general assembly to increase the share capital by the same amount.

### 12 Related party transactions

These represent transactions with certain related parties (directors and executive officers of the group and their related concerns) entered into by the group in the ordinary course of business and they appear as follows:

|  | 30 Sept.<br>2017<br>(Unaudited)<br>KD | 31 Dec.<br>2016<br>(Audited)<br>KD | 30 Sept.<br>2016<br>(Unaudited)<br>KD |
|--|---------------------------------------|------------------------------------|---------------------------------------|
| Key management compensation            |                                       |                                    |                                       |
| Salaries and other short term benefits | 157,976                               | 186,835                            | 133,976                               |
| Employee end of service benefits       | 12,865                                | 11,000                             | 8,250                                 |
|  | <b>170,841</b>                        | <b>197,835</b>                     | <b>142,226</b>                        |

### 13 Segmental information

The group activities are concentrated in nine main segments: services, investments and real estate. The segments' results are reported to the higher management in the group. The segments results, assets and liabilities are not reported based on the geographic locations as all the assets and liabilities are within the State of Kuwait.

## Notes to the interim condensed consolidated financial information (continued)

### 13 Segmental information (continued)

The following is the segments information, which conforms to the internal reporting presented to management:

|                                     | Nine month-period ended 30 September 2017 (Unaudited) |                   |                  |                  |                   |
|-------------------------------------|---|-------------------|------------------|------------------|-------------------|
|                                     | Services  | Investments       | Real estate      | Unallocated      | Total             |
|                                     | KD  | KD                | KD               | KD               | KD                |
| Gross income/(loss)                 | 2,257,740   | 205,469           | 1,961,805        | 3,985            | 4,428,999         |
| Expenses and other charges          | (1,544,855)   | -                 | -                | 637,555          | (2,322,295)       |
| <b>Profit/(loss) for the period</b> | <b>712,875</b>  | <b>205,469</b>    | <b>1,961,805</b> | <b>(633,570)</b> | <b>2,246,579</b>  |
| Assets                              | 56,058,212  | 10,611,262        | 54,040           | 1,902,944        | 68,626,458        |
| Liabilities                         | (34,234,301)  | -                 | -                | (421,256)        | (34,655,557)      |
| <b>Net assets</b>                   | <b>21,823,911</b>                                     | <b>10,611,262</b> | <b>54,040</b>    | <b>1,481,688</b> | <b>33,970,901</b> |

|                                     | Nine month-period ended 30 September 2016 (Unaudited) |                |                  |                  |                   |
|-------------------------------------|---|----------------|------------------|------------------|-------------------|
|                                     | Services  | Investments    | Real estate      | Unallocated      | Total             |
|                                     | KD  | KD             | KD               | KD               | KD                |
| Gross income/(loss)                 | 2,780,142   | 5,945          | 1,872,700        | 66,350           | 4,725,137         |
| Expenses and other charges          | (1,153,620)   | -              | -                | (747,078)        | (1,900,698)       |
| <b>Profit/(loss) for the period</b> | <b>1,626,522</b>                                      | <b>5,945</b>   | <b>1,872,700</b> | <b>(680,728)</b> | <b>2,824,439</b>  |
| Assets                              | 46,873,370  | 441,140        | 405,000          | 1,897,335        | 49,616,845        |
| Liabilities                         | (19,189,570)  | -              | -                | (367,122)        | (19,546,692)      |
| <b>Net assets</b>                   | <b>27,683,800</b>                                     | <b>441,140</b> | <b>405,000</b>   | <b>1,540,213</b> | <b>30,070,153</b> |

### 14 Summary of financial assets and liabilities

The carrying amounts of the group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

|  | 30 September 2017<br>(Unaudited) |                     | 30 September 2016<br>(Unaudited) |                     |
|--|----------------------------------|---------------------|----------------------------------|---------------------|
|  | Nominal<br>amount<br>KD          | Fair<br>Value<br>KD | Nominal<br>amount<br>KD          | Fair<br>Value<br>KD |
| Cash and cash equivalents                                | 13,414,827                       | -                   | 1,398,863                        | -                   |
| Investments at fair value through statement of<br>income | -                                | 591,762             | -                                | 421,444             |
| Accounts receivable and other debit balances             | 2,878,085                        | -                   | 2,328,997                        | -                   |
|  | <b>16,292,912</b>                | <b>591,762</b>      | <b>3,727,860</b>                 | <b>421,444</b>      |
| Long term loan   | 12,600,000                       | -                   | -                                | -                   |
| Ijara and Tawarraq payables                              | 18,681,265                       | -                   | 15,872,308                       | -                   |
| Accounts payable and credit balances                     | 2,953,046                        | -                   | 3,318,270                        | -                   |
|  | <b>34,234,301</b>                | <b>-</b>            | <b>19,188,576</b>                | <b>-</b>            |

## Notes to the interim condensed consolidated financial information (continued)

### 14 Summary of financial assets and liabilities (continued)

The fair value represents the amount through which asset can be exchange or liability settled as is customary. In the opinion of the group's management the carrying values of financial assets and liabilities as at 30 September 2017 approximate their fair values.

### 15 Fair value measurement

#### Fair Value hierarchy for financial instruments measured at fair value

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

#### 30 September 2017 (Unaudited)

|   | Note | Level 1<br>KD | Level 2<br>KD | Level 3<br>KD | Total<br>KD |
|---|------|---------------|---------------|---------------|-------------|
| <b>Assets at fair value</b>                                   |      |               |               |               |             |
| <i>Investments at fair value through statement of income:</i> |      |               |               |               |             |
| Local quoted shares   | a    | 423,970       | -             | -             | 423,970     |
| Local unquoted shares   | b    | -             | -             | 1,838         | 1,838       |
| Investment funds  | c    | -             | 165,954       | -             | 165,954     |
|   |      | 423,970       | 165,954       | 1,838         | 591,762     |

#### 30 September 2016 (Unaudited)

|   | Note | Level 1<br>KD | Level 2<br>KD | Level 3<br>KD | Total<br>KD |
|---|------|---------------|---------------|---------------|-------------|
| <b>Assets at fair value</b>                                   |      |               |               |               |             |
| <i>Investments at fair value through statement of income:</i> |      |               |               |               |             |
| Local quoted shares   | a    | 290,707       | -             | -             | 290,707     |
| Local unquoted shares   | b    | -             | -             | 1,832         | 1,832       |
| Investment funds  | c    | -             | 128,905       | -             | 128,905     |
|   |      | 290,707       | 128,905       | 1,832         | 421,444     |

There have been no transfers between levels 1 and 2 during the reporting period.



## Notes to the interim condensed consolidated financial information (continued)

### 15 Fair value measurement (continued)

#### Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

#### a) Quoted shares

All the listed equity securities are publicly traded in stock exchanges. Fair values have been determined by reference to their quoted bid prices at the reporting date.

#### b) Unquoted shares

The financial statements include investments in unlisted securities which are measured at fair value. Fair value is estimated using last traded prices for those investments.

#### c) Investment funds

The underlying investments in investment funds primarily comprise of portfolio investments where fair values have been determined by reference the net assets values reported by fund managers.

### 16 Financial risk management

All aspects of the group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

### 17 Capital commitments

Capital commitments as at the interim condensed consolidated statement of financial position date amounted to KD4,520,739 (31 December 2016 amounted to KD5,234,181 and 30 September 2016 amounted to KD6,100,934) represent the amounts resulted from the properties under construction (Note 8).