

**YIACO Medical Company K.S.C.P.  
and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION (UNAUDITED)**

**31 MARCH 2017**



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## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF YIACO MEDICAL COMPANY K.S.C.P.

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Yiacco Medical Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2017, and the related interim condensed consolidated profit or loss statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months periods then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on the 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 IAS 34.

### Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violation of the Companies Law No. 1 of 2016, and its Executive Regulations, or of the Parent Company's the Memorandum of Incorporation and Articles of Association, as amended, during the three months periods ended 31 March 2017 that might have had a material effect on the business of the Parent Company or on its financial position.

WALEED A. AL OSAIMI  
LICENCE NO. 68-A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

ABDULLATIF M. AL-AIBAN (CPA)  
(LICENCE NO. 94-A)  
OF GRANT THORNTON –  
AL-QATAMI, AL-AIBAN & PARTNERS

16 May 2017  
Kuwait

YIACO Medical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UNAUDITED)

For the period ended 31 March 2017

	Notes	Three months ended	
		31 March	
		2017	2016
		KD	KD
<b>Revenue</b>			
Revenue from sales and services		16,930,204	27,719,500
Cost of revenue from sales and services		(13,558,614)	(23,301,678)
<b>GROSS PROFIT</b>		<b>3,371,590</b>	<b>4,417,822</b>
Other operating income		72,998	26,788
Distribution costs		(1,088,797)	(1,359,157)
Administrative expenses		(2,323,708)	(2,791,739)
<b>Profit from operating activities</b>		<b>32,083</b>	<b>293,714</b>
Share of results of associate	8	-	365,207
Other income	4	360,000	-
Finance costs		(310,609)	(393,708)
<b>Profit before provision for directors' remuneration, contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat</b>		<b>81,474</b>	<b>265,213</b>
Directors' remuneration		(12,250)	(12,250)
Contribution to KFAS		(610)	-
NLST		(1,514)	-
Zakat		(650)	-
<b>Profit for the period</b>		<b>66,450</b>	<b>252,963</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		66,450	277,732
Non-controlling interests		-	(24,769)
		<b>66,450</b>	<b>252,963</b>
<b>Basic and diluted earnings per share attributable to the equity holders of the Parent Company</b>	3	<b>0.37 Fils</b>	<b>1.53 Fils</b>

The attached notes 1 to 10 form part of these interim condensed consolidated financial information.

# YIACO Medical Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2017

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	<b>66,450</b>	252,963
<i>Other comprehensive loss that are or may be reclassified to consolidated profit or loss in subsequent periods</i>		
Exchange differences arising on translation of foreign operations	<b>(2,395)</b>	(219,761)
Other comprehensive loss for the period	<b>(2,395)</b>	(219,761)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>64,055</b>	33,202
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>64,055</b>	89,426
Non-controlling interests	-	(56,224)
	<b>64,055</b>	33,202

The attached notes 1 to 10 form part of these interim condensed consolidated financial information.

YIACO Medical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2017

	Notes	31 March 2017 KD	(Audited) 31 December 2016 KD	31 March 2016 KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		4,179,920	4,031,943	4,370,073
Intangible assets		1,079,037	1,140,257	598,495
Investment in associate	4	-	-	11,543,123
Investments at fair value through profit or loss		209,720	209,720	263,620
Available for sale investments		79,380	79,380	79,380
		<u>5,548,057</u>	<u>5,461,300</u>	<u>16,854,691</u>
<b>Current assets</b>				
Inventories		29,242,076	29,861,984	26,817,377
Accounts receivable and prepayments	5	48,810,209	51,358,570	51,478,855
Bank balances and cash		4,949,467	9,180,423	12,265,233
		<u>83,001,752</u>	<u>90,400,977</u>	<u>90,561,465</u>
<b>Total assets</b>		<u><b>88,549,809</b></u>	<u><b>95,862,277</b></u>	<u><b>107,416,156</b></u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		18,191,250	18,191,250	18,191,250
Statutory reserve		4,381,619	4,381,619	4,325,308
Voluntary reserve		1,314,665	1,314,665	1,258,354
General reserve		1,831,515	1,831,515	1,775,204
Foreign currency translation reserve		(915,760)	(913,365)	(354,270)
Retained earnings		3,880,118	3,813,668	3,864,571
		<u>28,683,407</u>	<u>28,619,352</u>	<u>29,060,417</u>
<b>Equity attributable to the owners of the Parent Company</b>		<u><b>28,683,407</b></u>	<u><b>28,619,352</b></u>	<u><b>29,060,417</b></u>
Non-controlling interests		(38,223)	(38,223)	195,989
<b>Total equity</b>		<u><b>28,645,184</b></u>	<u><b>28,581,129</b></u>	<u><b>29,256,406</b></u>
<b>Non-current liabilities</b>				
Murabaha payables	6	1,714,320	1,928,610	2,505,650
Employees' end of service benefits		1,928,068	1,915,263	2,024,219
		<u>3,642,388</u>	<u>3,843,873</u>	<u>4,529,869</u>
<b>Current liabilities</b>				
Accounts payable and accruals		23,489,500	30,662,441	23,784,021
Murabaha payables	6	32,772,737	32,774,834	49,845,860
		<u>56,262,237</u>	<u>63,437,275</u>	<u>73,629,881</u>
<b>Total liabilities</b>		<u><b>59,904,625</b></u>	<u><b>67,281,148</b></u>	<u><b>78,159,750</b></u>
<b>Total equity and liabilities</b>		<u><b>88,549,809</b></u>	<u><b>95,862,277</b></u>	<u><b>107,416,156</b></u>

Prof. Yaqoub S. Y. Alrefaei  
Chairman

Dr. Bader Alzaid Altraiji  
Chief Executive Officer

The attached notes 1 to 10 form part of these interim condensed consolidated financial information.

YIACO Medical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2017

	Equity attributable to owners of the Parent Company							Sub total KD	Non-controlling interests KD	Total equity KD
	Share capital KD	Statutory reserve KD	Voluntary reserve KD	General reserve KD	Foreign currency translation reserve KD	Retained earnings KD				
<b>Balance at 1 January 2017 (Audited)</b>	18,191,250	4,381,619	1,314,665	1,831,515	(913,365)	3,813,668	28,619,352	(38,223)	28,581,129	
Profit for the period	-	-	-	-	-	66,450	66,450	-	66,450	
Other comprehensive loss for the period	-	-	-	-	(2,395)	-	(2,395)	-	(2,395)	
Total comprehensive (loss) income for the period	-	-	-	-	(2,395)	66,450	64,055	-	64,055	
<b>Balance at 31 March 2017</b>	<b>18,191,250</b>	<b>4,381,619</b>	<b>1,314,665</b>	<b>1,831,515</b>	<b>(915,760)</b>	<b>3,880,118</b>	<b>28,683,407</b>	<b>(38,223)</b>	<b>28,645,184</b>	
Balance as at 1 January 2016 (Audited)	18,191,250	4,325,308	1,258,354	1,775,204	(165,964)	3,586,839	28,970,991	252,213	29,223,204	
Profit (loss) for the period	-	-	-	-	277,732	277,732	277,732	(24,769)	252,963	
Other comprehensive loss for the period	-	-	-	-	(188,306)	-	(188,306)	(31,455)	(219,761)	
Total comprehensive (loss) income for the period	-	-	-	-	(188,306)	277,732	89,426	(56,224)	33,202	
Balance at 31 March 2016	18,191,250	4,325,308	1,258,354	1,775,204	(354,270)	3,864,571	29,060,417	195,989	29,256,406	

The attached notes 1 to 10 form part of these interim condensed consolidated financial information.

YIACO Medical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the period ended 31 March 2017

	Note	Three months ended 31 March	
		2017 KD	2016 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		66,450	252,963
Adjustments for:			
Depreciation and amortisation		228,710	253,177
Provision for employees' end of service benefits		151,628	106,893
Gain on sale of property, plant and equipment		(1,849)	-
Finance costs		310,609	393,708
Other income	9	(303,368)	
Share of results of an associate	4	-	(365,207)
		<b>452,180</b>	<b>641,534</b>
Working capital changes:			
Inventories		619,908	7,183,098
Accounts receivable and prepayments		2,548,361	1,611,666
Accounts payable and accruals		(6,869,573)	(8,703,220)
Cash flows (used in) from operations		(3,249,124)	733,078
Employees' end of from service benefits paid		(138,823)	(586,283)
<b>Net cash flows (used in) from operating activities</b>		<b>(3,387,947)</b>	<b>146,795</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		1,849	-
Purchase of property, plant and equipment		(296,467)	(80,579)
Purchase of intangible assets		(19,000)	(175,000)
<b>Net cash flows used in investing activities</b>		<b>(313,618)</b>	<b>(255,579)</b>
<b>FINANCING ACTIVITIES</b>			
Finance cost paid		(310,609)	(348,353)
Net (settlements) proceeds from murabaha payables		(216,387)	6,534,610
<b>Net cash flows (used in) from financing activities</b>		<b>(526,996)</b>	<b>6,186,257</b>
<b>(Decrease) increase in bank balances and cash</b>		<b>(4,228,561)</b>	<b>6,077,473</b>
Net impact of foreign currency translation adjustments		(2,395)	(219,761)
Bank balances and cash at the beginning of the period		9,180,423	6,407,521
<b>Bank balances and cash at the end of the period</b>		<b>4,949,467</b>	<b>12,265,233</b>

The attached notes 1 to 10 form part of these interim condensed consolidated financial information.

# YIACO Medical Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 1 INCORPORATION AND ACTIVITIES

The interim condensed consolidated financial information of YIACO Medical Company K.S.C.P. (“the Parent Company”) and its subsidiaries (collectively “the Group”) for the period ended 31 March 2017 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 11 May 2017.

The Parent Company is a Kuwaiti closed shareholding company and its shares are listed on the Kuwait Stock Exchange.

The Parent Company was incorporated on 15 January 1969 in Kuwait and is governed by the Islamic Shareea in its activities. The address of the Parent Company’s registered office is P.O. Box 435, Safat 13005, State of Kuwait.

The Parent Company is principally engaged in the following activities:

- Trading in medicines and medical equipment and taking part in the government and private tenders,
- Establishing and managing of medical centres and hospitals,
- Establishing and managing of medical dispensaries and laboratories,
- Providing home medical services,
- Assisting medical services for senior citizens and residents,
- Conduction of studies and researches related to the medical industry and provide medical consultations,
- Contracting with doctors, nurses, pharmacists and technicians to work in the clinics, pharmacies and laboratories and with others in or out the country,
- Maintain works for the medical equipment and apparatus,
- Possession of real estates and the necessary means of transport to perform the Parent Company’s objectives, and
- Utilizing the surplus funds available by investing it in financial and real estate’s portfolios managed by specialized bodies and companies.

Further, the Parent Company may have interest in or enter in any respect with entities that carry on works similar to its works or those that may assist the Group to achieve its objectives in Kuwait or abroad, and it may establish, participate in or purchase such entities or having them affiliated thereto.

The Annual General Assembly of the shareholders of the Parent Company has not been held for the year ended 31 December 2016 until the date of approval of this interim condensed consolidated financial information. Accordingly, the consolidated financial statements for the year ended 31 December 2016 have not yet been approved by the shareholders. The Annual General Assembly has the power to amend the consolidated financial statements for the year ended 31 December 2016 and consequently may have an impact on this interim condensed consolidated financial information.

### 2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in compliance with International Accounting Standard: Interim Financial Reporting (“IAS”) 34.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group’s annual audited consolidated financial statements for the year ended 31 December 2016. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the full year ended 31 December 2017.

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 for the year ended 31 December 2016 except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group effective from 1 January 2017, and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



# YIACO Medical Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 3 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY

Basic and diluted earnings per share are calculated by dividing the profit for the period attributable to the equity holders of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
<b>Earnings</b>		
Profit for the period attributable to equity holders of the Parent Company (KD)	<b>66,450</b>	277,732
<b>Number of shares outstanding</b>		
Weighted average number of shares outstanding during the period	<b>181,912,500</b>	181,912,500
Basic and diluted earnings per share attributable to the equity holders of the Parent Company	<b>0.37 Fils</b>	1.53 Fils

### 4 INVESTMENT IN AN ASSOCIATE

The movement in the carrying value of investment in an associate is as follows:

	<i>(Audited)</i>	
	<i>31 December</i>	<i>31 March</i>
	<i>2016</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>
Carrying value at the beginning of the period/year	11,177,916	11,177,916
Share of results	1,502,819	365,207
Dividend received	(409,518)	-
Disposal	(12,271,217)	-
Carrying value at the end of the period/year	-	11,543,123

During the year ended 31 December 2016, the Parent Company sold its interest in Al Salam to a related party for a total consideration of KD 20,000,000 resulting in a net gain on sale amounting to KD 7,708,772 consecutive to deduction of certain transaction related expenses of KD 20,011.

#### Subsequent events

Subsequent to the period ended 31 March 2017, certain shareholders of the Parent Company filed a legal case against the Parent Company seeking to revoke the sale transaction referred in the table above. Though the ruling from the court of first instance came in favour of the shareholders, the Parent Company is in the process of appealing the first decree ruling and is of the view that the final outcome will be in favour of the Group.

# YIACO Medical Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 5 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	<i>31 March</i> <i>2017</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD</i>	<i>31 March</i> <i>2016</i> <i>KD</i>
Trade accounts receivable (Net)	36,290,359	41,513,175	43,835,515
Post-dated cheques (Net)	1,687,844	1,642,667	2,112,728
Amounts due from associate (Note 9)	-	-	246,820
Other receivables	5,414,853	3,161,172	1,269,357
Reimbursable expenses (Net)	4,303,757	4,062,230	3,061,675
Staff receivables	121,928	136,553	60,145
Advance to suppliers	321,174	263,869	260,553
Prepaid expenses	670,294	578,904	632,062
	<u>48,810,209</u>	<u>51,358,570</u>	<u>51,478,855</u>

As at 31 March 2017, trade receivables at nominal value of KD 4,080,300 (31 December 2016: KD 4,080,300 and 31 March 2016: KD 5,105,833) were impaired and fully provided for.

### 6 MURABAHA PAYABLES

Murabaha payables represent commodities purchased on a deferred settlement basis from local Islamic banks and the effective rates of profit payable attributable to murabaha payables range between 3.75% to 4.25% (31 December 2016: 3.5% to 4% and 31 March 2016: 2.85% to 3.25%) per annum.

Amounts payable within the next twelve months are classified as current liabilities in the interim condensed consolidated statement of financial position.

### 7 CONTINGENT ASSETS AND LIABILITIES

The Parent Company has submitted certain claims of KD 29,067,639 (31 December 2016: KD 29,067,639 and 31 March 2016: KD 29,067,639) related to additional services provided to one of the projects with the Ministry of Health. However, these claims were not yet approved and the contract has ended during the previous year.

At 31 March 2017, the Group had contingent liabilities in respect of outstanding letters of guarantees arising in the ordinary course of business amounting to KD 21,056,694 (31 December 2016: KD 21,773,787 and 31 March 2016: KD 22,213,196) from which it is anticipated that no material liabilities will arise.

### 8 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent directors and key management personnel of the Group, and other related parties such as major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

	<i>31 March</i> <i>2017</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD</i>	<i>31 March</i> <i>2016</i> <i>KD</i>
<b>Included in the interim condensed consolidated statement of financial position:</b>			
Amounts due from associate (Note 5)	-	-	246,820

# YIACO Medical Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 8 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Transactions with the related parties included in the interim condensed consolidated statement of profit or loss are as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>
Sales to associate	-	308,060
Other income	303,368	-

Included in other income is an amount of KD 303,368 that represents the refund of certain finance costs from a related party which is a financial institution as a result of full and final settlement of murabaha payable. These finance costs were incurred during the previous year ended 31 December 2016.

### Compensation of key management personnel

The remuneration of key management personnel during the period were as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2017</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>
Provision for directors' remuneration	12,250	12,250
Salaries and short term benefits	70,221	78,734
Employees' end of service benefits	3,172	3,312
	<u>85,643</u>	<u>94,296</u>

### 9 SEGMENTAL INFORMATION

The Group's primary basis of segment reporting is by business segments, which consist of medical and related activities and investments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the interim condensed consolidated financial information. However, Group financing (including finance costs and finance income), income taxes and other taxes are managed on a Group basis and are not allocated to operating segments.

YIACO Medical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

9 SEGMENTAL INFORMATION (continued)

	<i>Medical and related activities KD</i>	<i>Investments KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>Three months ended 31 March 2017</i>				
Segment revenue	16,930,204	-	-	16,930,204
Segment results	32,083	-	-	32,083
Unallocated expenses	-	-	(325,633)	(325,633)
Unallocated income	-	-	360,000	360,000
Profit for the period	88,715	-	-	66,450
Segment assets	88,260,709	289,100	-	88,549,809
Less: Segment liabilities	(25,417,568)	-	-	(25,417,568)
	62,843,141	289,100	-	63,132,241
Less: Murabaha payables	-	-	(34,487,057)	(34,487,057)
Total equity	62,843,141	289,100	(34,487,057)	28,645,184
<i>Other segment information:</i>				
Depreciation and amortisation	228,710	-	-	228,710
Finance costs (included in unallocated expenses)	-	-	(310,609)	310,609
<i>For the year ended 31 December 2016 (Audited)</i>				
Segment revenue	90,550,141	-	-	90,550,141
Segment results	(6,752,936)	9,173,371	-	2,420,435
Unallocated expenses	-	-	(2,019,377)	(2,019,377)
(Loss) Profit for the year	(6,752,936)	9,173,371	(2,019,377)	401,058
<i>As at 31 December 2016 (Audited)</i>				
Segment assets	95,573,177	289,100	-	95,862,277
Segment liabilities	32,577,704	-	34,703,444	67,281,148
<i>Other segmental information:</i>				
Share of results of an associate	-	1,502,819	-	1,502,819
Depreciation and amortisation	1,166,284	-	-	1,166,284
Finance cost (included in unallocated expenses)	-	-	2,019,377	2,019,377
Capital expenditure	913,102	-	-	913,102
Gain on sale of investment in an associate	-	7,708,772	-	7,708,772

# YIACO Medical Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 9 SEGMENTAL INFORMATION (continued)

Three months ended 31 March 2016

Segment revenue	27,719,500	-	-	27,719,500
Segment results	293,714	365,207	-	658,921
Unallocated expenses	-	-	(405,958)	(405,958)
Profit for the period	293,714	365,207	(405,958)	252,963
Segment assets	95,530,033	11,886,123	-	107,416,156
Less: segment liabilities	(25,808,240)	-	-	(25,808,240)
	69,721,793	11,886,123	-	81,607,916
Less: Murabaha payables	-	-	(52,351,510)	(52,351,510)
Total equity	69,721,793	11,886,123	(52,351,510)	29,256,406
<i>Other segment information:</i>				
Share of results of an associate	-	365,207	-	365,207
Depreciation and amortisation	253,177	-	-	253,177
Finance costs (included in unallocated expenses)	-	-	393,708	393,708

### 10 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY AND FAIR VALUE MEASUREMENT

#### 10.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statements of financial position may also be categorized as follows:

	<i>31 March</i> <i>2017</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2016</i> <i>KD</i>	<i>31 March</i> <i>2016</i> <i>KD</i>
<b>Financial assets:</b>			
Loans and receivables (at amortised cost):			
• Accounts receivable	47,818,741	50,515,797	50,586,240
• Bank balances and cash	4,949,467	9,180,423	12,265,233
	<b>52,768,208</b>	59,696,220	62,851,473
Assets at fair value through profit or loss:			
• Investments at fair value through profit or loss			
- Designated on initial recognition	209,720	209,720	263,620
	<b>209,720</b>	209,720	263,620
Available for sale investments			
- At cost	79,380	79,380	79,380
	<b>79,380</b>	79,380	79,380
Total financial assets	<b>53,057,308</b>	59,985,320	63,194,473
<b>Financial liabilities:</b>			
At amortised cost			
• Accounts payable and accruals (excluding advances from customers)	23,320,310	30,662,441	23,689,602
• Murabaha payables	34,487,057	34,703,444	52,351,510
Total financial liabilities	<b>57,807,367</b>	65,365,885	76,041,112

# YIACO Medical Company K.S.C.P. and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 31 March 2017

### 10 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY AND FAIR VALUE MEASUREMENT (continued)

#### 10.2 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the opinion of the Group's management, the carrying amounts of all other financial assets and liabilities are considered a reasonable approximation of their fair values. The measurement details of investments at fair value through profit or loss which are carried at fair value are disclosed below.

#### 10.3 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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 (that is unobservable inputs).

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

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

<b>31 March 2017</b>		
<b>Assets at fair value</b>	<i>Level 3</i>	<i>Total</i>
Investments at fair value through profit or loss	<i>KD</i>	<i>KD</i>
- Local unquoted fund - designated	<b>209,720</b>	<b>209,720</b>
	<hr/>	<hr/>
<b>31 December 2016 (Audited)</b>		
<b>Assets at fair value</b>	<i>Level 3</i>	<i>Total</i>
Investments at fair value through profit or loss	<i>KD</i>	<i>KD</i>
- Local unquoted fund - designated	<b>209,720</b>	<b>209,720</b>
	<hr/>	<hr/>
<b>31 March 2016</b>		
<b>Assets at fair value</b>	<i>Level 3</i>	<i>Total</i>
Investments at fair value through profit or loss	<i>KD</i>	<i>KD</i>
- Local unquoted fund - designated	<b>263,620</b>	<b>263,620</b>
	<hr/>	<hr/>

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

#### Measurement at fair value

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, where required. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The methods and valuation techniques used for the purpose of measuring fair value, which are unchanged compared to the previous reporting year/period, are as follows:

YIACO Medical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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As at 31 March 2017

**10 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY AND FAIR VALUE  
MEASUREMENT (continued)**

**Level 3 Fair value measurements**

The Group measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2017</i>	<i>31 December</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Balance at the beginning of the period/ year	<b>209,720</b>	263,620	263,620
Net change in fair value recognised in profit or loss	-	(38,220)	-
Amount received upon partial redemption of investment	-	(15,680)	-
Balance at the end of the period/year	<b>209,720</b>	209,720	263,620

Changing inputs to the level 3 valuations to reasonably possible alternative assumption would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.