

**Arabi Group Holdings – K.S.C.P
Kuwait**

**Interim Condensed Consolidated
Financial Information
31 March 2015 (Unaudited)**

PKF



Arabi Group Holdings– K.S.C.P
Kuwait
Interim Condensed Consolidated Financial Information
31 March 2015 (Unaudited)

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**Arabi Group Holdings K.S.C.P
Kuwait**

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arabi Group Holdings K.S.C.P ("the Company") and its subsidiaries (together called "the Group"), as of 31 March 2015 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months 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".

Emphasis of matter

We draw attention to note 3 to the interim condensed consolidated financial information regarding receivables from contract customers which are under legal dispute and contract in progress. The Group management is of the opinion that the carrying amount of assets will be recovered in full and are not impaired. The interim condensed consolidated financial information for the period ended 31 March 2015 does not include any adjustments that might results from uncertainties regarding the outcome of Court judgments and acceptance and completion of contracts.

Further we draw attention to note 5 to the interim condensed consolidated financial information towards funds availed through a third party for Group's payments in proposed establishment of a new company and the arrangement with third party are under process and negotiation.



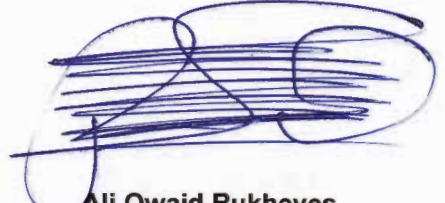
Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Company. We further report that, to the best of our knowledge and belief, no violations of the Company's Law No.25 of 2012, as amended, or of the Articles of Association of the Company have occurred during the three month period ended 31 March 2015 that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.



Tariq M. Bouresli
License No. 75-A
PKF Bouresli & Co.
Member of PKF International

Kuwait
14 May 2015



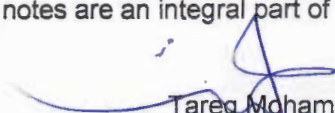
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Interim Condensed Consolidated Statement of Financial Position as at 31 March 2015 (Unaudited)

Exhibit - A

	Note	Kuwaiti Dinars		
		31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Assets				
Current Assets				
Cash and cash equivalents		6,566,532	4,029,698	1,814,837
Trade and other receivables	5	125,635,581	121,996,083	85,728,770
Investment at fair value through profit or loss	6	7,029	6,932	9,506
Due from related parties		4,281,789	4,105,012	5,118,263
Contract in progress – due from customers		2,912,659	3,808,316	4,520,491
Inventories		27,441,624	24,245,669	16,440,104
		<u>166,845,214</u>	<u>158,191,710</u>	<u>113,631,971</u>
Non-current assets				
Investments available for sale	6	3,597,154	3,597,154	4,141,457
Investment in associate	7	1	1	1
Investment in properties	8	2,415,000	2,415,000	2,144,000
Investments in unconsolidated subsidiaries	9	601,131	601,378	587,200
Property and equipment		18,030,628	16,906,966	9,079,036
Goodwill		395,964	395,964	595,964
		<u>25,039,878</u>	<u>23,916,463</u>	<u>16,547,658</u>
Total assets		<u>191,885,092</u>	<u>182,108,173</u>	<u>130,179,629</u>
Liabilities and equity				
Current liabilities				
Bank overdrafts and promissory notes	10	20,420,591	19,013,543	17,097,816
Due to related parties		8,829,467	8,350,547	8,134,841
Trade and other payables	11	59,116,760	54,587,891	39,933,701
Term loans	12	34,312,117	48,922,130	16,124,076
		<u>122,678,935</u>	<u>130,874,111</u>	<u>81,290,434</u>
Non current liabilities				
Noncurrent portion of term loans	12	40,439,927	22,989,576	23,911,625
Post employment benefits		2,668,818	2,497,237	2,267,992
		<u>43,108,745</u>	<u>25,486,813</u>	<u>26,179,617</u>
Equity				
Attributable to the Company's shareholders				
Capital	13	14,975,085	14,975,085	14,261,986
Share premium		7,877,292	7,877,292	7,877,292
Statutory reserve		462,576	462,576	209,763
Voluntary reserve		462,576	462,576	209,763
Treasury share reserve		17,230	17,230	17,230
Revaluation reserve	14	2,223,931	2,223,931	1,430,016
Foreign currency translation adjustments		65,039	(2,546)	(104,908)
Fair valuation reserve		(1,632,041)	(1,632,041)	(1,582,659)
Retained earnings		2,057,939	1,895,239	1,123,846
Treasury shares	15	(1,381,525)	(1,381,525)	(1,381,525)
		<u>25,128,102</u>	<u>24,897,817</u>	<u>22,060,804</u>
Non-controlling interests		<u>969,310</u>	<u>849,432</u>	<u>648,774</u>
Total equity		<u>26,097,412</u>	<u>25,747,249</u>	<u>22,709,578</u>
Total liabilities and equity		<u>191,885,092</u>	<u>182,108,173</u>	<u>130,179,629</u>

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


Tareq Mohammed Al Maoushargi
Chairman

Arabi Group Holdings – K.S.C.P
Kuwait

Interim Condensed Consolidated Statement of Income for the period ended 31 March 2015
(Unaudited)

	Exhibit - B	
	Kuwaiti Dinars	
	3 months ended 31 March	
	2015	2014
Note	(Unaudited)	(Unaudited)
Sales	11,654,949	6,404,279
Contract revenue	12,514,984	6,974,898
	<u>24,169,933</u>	<u>13,379,177</u>
Cost of sales	(9,753,989)	(5,089,221)
Contract costs	(10,447,276)	(5,409,996)
	<u>(20,201,265)</u>	<u>(10,499,217)</u>
Gross profit	3,968,668	2,879,960
General and administrative expenses	(1,991,864)	(2,046,997)
Depreciation	(155,870)	(135,938)
Provision for doubtful debts	(4,427)	(6,520)
Provision for slow moving inventory	(32,415)	(32,301)
Profit from operations	<u>1,784,092</u>	<u>658,204</u>
Unrealized gain from investments at fair value through profit or loss	97	943
Share of loss of unconsolidated subsidiaries	(247)	(1,820)
Other income	447,848	600,265
Interest expenses	<u>(1,922,029)</u>	<u>(917,074)</u>
Profit before contribution to KFAS, Zakat and NLST	309,761	340,518
KFAS	(1,642)	(2,716)
Zakat	(5,182)	(4,333)
National Labour Support Tax (NLST)	(12,955)	(10,833)
Profit for the period	<u>289,982</u>	<u>322,636</u>
Attributable to:		
Equity holders of the Company	162,700	283,888
Non-controlling interests	127,282	38,748
	<u>289,982</u>	<u>322,636</u>
Basic and diluted earnings per share for the period (fils)	16	1.13
		<u>1.97</u>

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

Arabi Group Holdings – K.S.C.P
Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income for the period ended 31 March
2015 (Unaudited)

	Exhibit - C	
	Kuwaiti Dinars	
	3 months ended 31 March	
	2015	2014
	(Unaudited)	(Unaudited)
Profit for the period	<u>289,982</u>	<u>322,636</u>
Other comprehensive income:		
Items that may be reclassified subsequently to income statement		
Change in foreign currency translation	60,181	(6,193)
Total comprehensive income for the period	<u>350,163</u>	<u>316,443</u>
Attributable to:		
Equity holders of the Company	230,285	278,585
Non-controlling interests	119,878	37,858
	<u>350,163</u>	<u>316,443</u>

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

Arabi Group Holdings – K.S.C.P
Kuwait

Interim Condensed Consolidated Statement of Changes in Equity for the period ended 31 March 2015 (Unaudited)

Exhibit – D

	Kuwaiti Dinars										Non controlling interest	Total Equity	
	Equity attributable to the Parent Company's Shareholders												
	Capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares reserve	Revaluation reserve	Foreign currency translation adjustments	Fair valuation reserve	Retained Earnings	Treasury shares			Total
Balance at 31 December 2014- Audited	14,975,085	7,877,292	462,576	462,576	17,230	2,223,931	(2,546)	(1,632,041)	1,895,239	(1,381,525)	24,897,817	849,432	25,747,249
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	-	67,585	-	162,700	-	230,285	119,878	350,163
Balance at 31 March 2015-Unaudited	14,975,085	7,877,292	462,576	462,576	17,230	2,223,931	65,039	(1,632,041)	2,057,939	(1,381,525)	25,128,102	969,310	26,097,412
Balance at 31 December 2013- Audited	14,261,986	7,877,292	209,763	209,763	17,230	1,430,016	(99,605)	(1,582,659)	839,958	(1,328,065)	21,835,679	610,916	22,446,595
Total comprehensive income for the period (Unaudited)	-	-	-	-	-	-	(5,303)	-	283,888	-	278,585	37,858	316,443
Purchase of treasury shares note 16	-	-	-	-	-	-	-	-	-	(53,460)	(53,460)	-	(53,460)
Balance at 31 March 2014-Unaudited	14,261,986	7,877,292	209,763	209,763	17,230	1,430,016	(104,908)	(1,582,659)	1,123,846	(1,381,525)	22,060,804	648,774	22,709,578

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

Arabi Group Holdings - K.S.C.P
Kuwait

Interim Condensed Consolidated Statement of Cash Flows for the period ended 31 March 2015
(Unaudited)

Exhibit - E

	Kuwaiti Dinars	
	3 months ended 31 March	
	2015 (Unaudited)	2014 (Unaudited)
Cash flows – operating activities		
Profit for the period	289,982	322,636
<i>Adjustments for:</i>		
Depreciation and amortization	359,401	217,577
(Gain) / loss on sale of property and equipment	(8,645)	1,175
Unrealized gain from investments at fair value through profit or loss	(97)	(943)
Shares of loss from unconsolidated subsidiaries	247	1,820
Interest expense	1,922,029	917,074
Operating profit before changes in working capital	2,562,917	1,459,339
Increase in trade and other receivables	(3,639,498)	(11,034,175)
Increase in due from related parties	(176,777)	(62,274)
Decrease in due from customers for contract work	895,657	860,691
Increase in inventories	(3,195,955)	(1,763,571)
Increase in trade and other payables	4,528,869	3,464,417
Increase in due to related parties	478,920	6,504,599
Increase in post-employment benefits	171,581	58,080
Net cash from / (used in) operating activities	1,625,714	(512,894)
Cash flows from investing activities		
Purchase of property and equipment – net	(1,503,684)	(965,288)
Proceeds from sale of property and equipment	29,266	740
Acquisition of available for sale of investments	-	(930,000)
Net cash used in investing activities	(1,474,418)	(1,894,548)
Cash flow from financing activities		
Increase / (decrease) in bank overdrafts and promissory notes	1,407,048	(191,346)
Increase in term loans	2,840,338	4,225,474
Interest paid	(1,922,029)	(917,074)
Purchase of treasury shares	-	(53,460)
Net cash from financing activities	2,325,357	3,063,594
Net increase in cash and cash equivalents	2,476,653	656,152
Effect of exchange rate changes on cash and cash equivalents	60,181	(6,193)
Cash and cash equivalents at the beginning of the period	4,029,698	1,164,878
Cash and cash equivalents at the end of the period	6,566,532	1,814,837

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

1. Establishment and activities of the Company

Arabi Group Holdings K.S.C.P (the Parent Company) is a Kuwaiti shareholding company incorporated on 5 December 1982 and is listed on the Kuwait Stock Exchange. The registered office of the Parent Company is P.O. Box 4090, Safat, 13041, Kuwait and its principal activities are as follows:

- Owning stocks and shares in Kuwaiti or non-Kuwaiti companies and participating in the establishment of such companies
- Participating in the management of companies in which it owns shares.
- Lending money to companies in which it owns shares, and guaranteeing third party loans in companies where it owns 20% or more of the capital of the borrowing company.
- Owning industrial rights such as patents, industrial trademarks, royalties, or any other related rights, and franchising them to other companies within or outside the State of Kuwait.
- Owning real estate and movable property to conduct its operations.

The Parent Company and its subsidiaries: Arabi Company W.L.L., Arabi Engineering and Mechanical Works Company W.L.L. and Arabi Enertech Co. KSCC are collectively referred to as "the Group" in this interim condensed consolidated financial information.

This interim condensed consolidated financial information was authorized for issue by the Board of Directors on 14 May 2015.

The annual financial statements of the Group for the year ended 31 December 2014 were approved by the Board of Directors on 5 April 2015 and are subject to approval of Shareholders at the forthcoming Annual General Meeting.

2. Basis of presentation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of interim condensed consolidated financial information are consistent with those used in preparation of annual financial statements for the year ended 31 December 2014.

This interim condensed consolidated financial information does not contain all information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended 31 March 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015. For further information, refer to the financial statements and notes thereto included in the Group's annual financial statements for the year ended 31 December 2014.

3. Critical accounting judgment and estimates

Receivable from contract customers and related parties

a) *Recoverability from contract customers – trade receivables & contract in progress*

(i) *Legal receivables*

The Group has receivables amount of KD 11,513,564 (31 December 2014: KD 11,457,733; 31 March 2014: KD 10,480,442) from contract customers which are under legal dispute. Presently, the matters are referred by Court and are under various stages. The Group's management is confident and it estimates that the carrying amount of the assets will be recovered in full and are not impaired.

(ii) *Non legal receivables*

The Group has net receivables amount of KD 1,689,220 (31 December 2014: KD 1,689,220; 31 March 2014: KD 2,655,041) from contract customers with respect to partly or completed contracts. The management is in the process of obtaining acceptance from the contract customers towards work executed and completing the contacts. The Group's management is confident and it estimates that the carrying amount of the assets will be recovered in full and is not impaired.

With respect to the above total receivables of KD 13,202,784 (31 December 2014: KD 13,146,953; 31 March 2014: KD 13,135,483); KD 10,725,814 (31 December 2014: KD 10,725,814; 31 March 2014: KD 9,193,321) is included in trade receivables and KD 2,476,970 (31 December 2014: KD 2,421,139; 31 March 2014: KD 3,942,162) is included in contract in progress.

4. Subsidiaries

The principal subsidiaries are:

Subsidiary	Country of incorporation	Percentage of Ownership		
		31 Mar 2015	31 Dec 2014	31 Mar 2014
Arabi Company WLL	Kuwait	100%	100%	100%
Arabi Engineering and Mechanical Works Company WLL	Kuwait	100%	100%	100%
Arabi Enertech Co KSCC	Kuwait	73.08%	73.08%	73.08%
Held through Arabi Company W.L.L.				
Gulf Services & Industrial Supplies Co.	Oman	100%	100%	100%
Arabi Company – Qatar W.L.L.	Qatar	100%	100%	100%
Altec Corporation Limited (Formerly Jayakrishna Aluminium Limited)	India	90.03%	90.03	90.03%
Warba Mechanical Equipments L.L.C.	UAE Emirates	70%	70%	70%
Associate				
Agricultural Environmental Projects Company W.L.L	Kuwait	40%	40%	40%

0.05% of the ownership in Arabi Company WLL and 0.20% of the ownership in Arabi Engineering and Mechanical Works Company WLL are held indirectly in the name of nominees on behalf of the Parent Company. The nominees have confirmed in writing that the Parent Company is the beneficial owner of these shares in the subsidiaries.

The Parent Company has consolidated the interim condensed financial information (unaudited) of all its subsidiaries which are been reviewed by independent auditors for the three months ended 31 March 2015 while preparing this interim condensed consolidated financial information (unaudited). Total assets of the subsidiaries amounted to KD 122,336,244 as of 31 March 2015 (31 March 2014: KD 86,363,214) and the subsidiaries net profit was KD 765,644 for the three months ended 31 March 2015 (31 March 2014: KD 420,738).

5. Trade and other receivables

The Group has been awarded a bid to invest the equity shares equivalent to 26% in establishing a new company – Kuwait Health Assurance Company (KHAC) in Kuwait against which it has total commitment of KD 97,474,000. As per bid terms, the Group is initially liable to pay KD 67,574,000 towards 50% called-up share capital against the proposed authorized capital, premium and commission. As of 31 March 2015, the Group has paid the entire initial commitment of KD 67,574,000 and is included in trade and other receivables. The said payment was mainly funded to the extent of KD 39,714,000 by availing term loans from bank, KD 5,980,000 from related parties and KD 21,528,000 through third party (note 11). The formalities of establishing a new company and Group's share of interest in it and the arrangement with third party are under process and negotiation.

6. Investments

	Kuwaiti Dinars		
	31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Investments at fair value through profit & loss:			
Quoted securities held for trading	7,029	6,932	9,506
	<u>7,029</u>	<u>6,932</u>	<u>9,506</u>
Investments available for sale:			
Un quoted securities	3,597,154	3,597,154	4,141,457
	<u>3,597,154</u>	<u>3,597,154</u>	<u>4,141,457</u>

Unquoted investments of KD 2,210,869 (31 December 2014: KD 2,210,869; 31 March 2014: KD 2,679,500) are carried at cost less impairment loss as their fair value cannot be reliably measured.

7. Investment in associate

Agricultural Environmental Projects Company W.L.L

This represents the Group's share of investments in associates accounted for using the equity method.

	Kuwaiti Dinars		
	31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Opening balance	1	1	1
Group's share of loss - on post recognition and acquisition as associate	-	-	-
Closing balance	<u>1</u>	<u>1</u>	<u>1</u>

Notes to the Interim Condensed Consolidated Financial Information – 31 March 2015 (Unaudited)

The Group does not recognize future loss, as its share of losses in associate exceeds its interest in the associate. The shares of associate are not publicly listed on a stock exchange and hence published price quotes are not available. The assets, liabilities, revenues and loss of associate are as follows:

	Kuwaiti Dinars			
	Assets	Liabilities	Revenue	Net (loss)/ profit
31 March 2015 (Unaudited)	2,678,638	3,163,401	157,233	(101,745)
31 December 2014 (Audited)	2,596,768	2,979,754	1,499,560	10,614
31 March 2014 (Unaudited)	2,457,609	2,884,010	348,614	(67,800)

8. Investment in properties

	Kuwaiti Dinars		
	31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Opening balance	2,415,000	2,144,000	2,144,000
Income on fair value of investment properties	-	271,000	-
Closing balance	2,415,000	2,415,000	2,144,000

The investment properties have been provided as security against term loan availed from the local bank.

9. Investment in unconsolidated subsidiaries

Name	Percentage of holding %	Kuwaiti Dinars		
		31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Daleel International Co. W.L.L.	100	-	-	-
Call to Connect India Private Limited	60	59,288	59,288	38,164
Workers Equity Holding – B.S.C. (Closed)	60	441,843	442,090	449,036
Mobivision Holding Company – B.S.C. (Closed)	60	-	-	-
Arabi Aviation Company	100	100,000	100,000	100,000
KEY BS JLT- WLL	100	-	-	-
		601,131	601,378	587,200

Notes to the Interim Condensed Consolidated Financial Information – 31 March 2015 (Unaudited)

The Group has not consolidated these subsidiaries since they are not material to the interim condensed consolidated financial information. The Group's share of loss from these subsidiaries for the three months ended 31 March 2015 has been recognised based on their management accounts.

10. Bank overdrafts and promissory notes

The effective interest rates on bank overdraft facilities and promissory notes were 2% to 4% per annum (31 December 2014: 2% to 4%; 31 March 2014: 2% to 4% per annum) over the Central Bank of Kuwait discount rate. A portion of these facilities amounting to KD 4,085,988 (31 December 2014: KD 4,083,939; 31 March 2014: KD 4,015,802) carries an effective interest rate of 2% to 8% (31 December 2014: 2% to 8%; 31 March 2014: 2% to 8%) per annum over three months LIBOR.

These facilities are secured by the personal guarantees of the shareholders, corporate guarantee of the Group and mortgage of Group's freehold land and buildings and assignment of contract proceeds in favour of the lending banks.

11. Trade and other payables

Trade and other payables includes KD 21,528,000 towards funds availed through a third party for Group's payment for KHAC (note 5).

12. Term loans

	Kuwaiti Dinars		
	31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Current			
Short term loans	23,043,043	45,614,340	12,593,507
Current portion of long term loans	11,269,074	3,307,790	3,530,569
	<u>34,312,117</u>	<u>48,922,130</u>	<u>16,124,076</u>
Non current			
Noncurrent portion of long term loans	40,439,927	22,989,576	23,911,625
	<u>74,752,044</u>	<u>71,911,706</u>	<u>40,035,701</u>

The effective interest rate on short term loans which are repayable within one year was 4% to 8% per annum (31 December 2014: 4% to 8%; 31 March 2014: 4% to 8% per annum). These loans are secured by the personal guarantees of shareholders, guarantees from the Company and certain receivables.

Long term loans carry an effective interest rate of 4% to 7.5% per annum (31 December 2014: 4% to 7.5%; 31 March 2014: 4% to 7.5% per annum). These loans are secured against guarantees from the Company, personal guarantee and shares of shareholders, mortgage of Group's properties, investment properties, certain contract receivables, mortgage of third party properties, term deposits of subsidiary, term deposits of related parties, part of proceeds from the receivables of subsidiaries and related parties and undertaking to mortgage entire 26% of Company's share of proposed Kuwait Health Assurance Company. The portion of the loans maturing within one year from the financial position date is shown as a current liability.

13. Equity

The authorized share capital of the Company comprises of 149,750,859 shares of 100 fils each (31 December 2014: 149,750,859 and 31 March 2014: 142,619,866 shares of 100 fils each).

The issued and paid up share capital of the Company comprises of 149,750,859 of 100 fils each (31 December 2014: 149,750,859 and 31 March 2014: 142,619,866 shares of 100 fils each).

14. Revaluation reserve

Revaluation reserve represents the Parent Company's share of surplus arising on revaluation of one of the subsidiaries building and lease hold land. The management of the Group has decided to revalue said assets every five years.

15. Treasury shares

	Kuwaiti Dinars		
	31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Number of shares (share)	5,919,182	5,919,182	5,637,318
Percentage of issued shares (%)	3.95%	3.95%	3.95%
Market value (KD)	816,847	923,392	1,071,090
Cost (KD)	1,381,525	1,381,525	1,381,525

16. Earnings per share attributable to equity holders of the Company

Earnings per share based on the weighted average number of shares outstanding the period is as follows:

	Kuwaiti Dinars	
	3 months ended 31 March	
	2015 (Unaudited)	2014 (Unaudited)
Profit attributable to equity holders of the Company	162,700	283,888
	Shares	Shares
Weighted average number of shares outstanding during the period	143,831,677	144,128,472
Earnings per share – Basic and diluted (fils)	1.13	1.97

17. Related party transactions

During the period ended 31 March 2015 the Group has entered into various transactions with related parties in the normal course of business including financing and other related services on terms approved by the management. Balances with related parties are disclosed in the statement of financial position. Transactions with related parties included in the condensed consolidated statement of income are as follows;

	Kuwaiti Dinars	
	3 months ended 31 March	
	2015 (Unaudited)	2014 (Unaudited)
Key management compensation	46,500	34,200
General and administrative expenses	15,750	-
Interest expenses	87,488	-

18. Segment information

The Group operating segments are determined based on the reports reviewed by the chief executive function that are used for strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products and services, class of customers and marketing strategies of these segments are different.

These operations segments meet the criteria for reportable segments and are follows:

- Retail operations : Consists of sale equipment and tools.
- Engineering operations : Consists of mechanical projects and sale of related equipment.
- Electrical operations : Consists of electrical projects and sale of related equipment.

Management monitors the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. The Group measures the performance of operating segments through measure of segment profit or loss net of taxes in management and reporting system.

The following table presents revenue and results information regarding the Group's reportable segment.

	Kuwaiti Dinars				Total
	Retail operations	Engineering operations	Electrical operations	Unallocated items and eliminations	
Three months ended 31 March 2015 (Unaudited)					
Segment revenue	6,570,973	17,520,074	87,100	(8,214)	24,169,933
Segment results	241,069	505,328	19,247	(475,662)	289,982
Three months ended 31 March 2014 (Unaudited)					
Segment revenue	5,888,852	7,117,870	377,439	(4,984)	13,379,177
Segment results	232,032	170,906	17,800	(98,102)	322,636

19. Contingent liabilities

The group was contingently liable in respect of the following

	Kuwaiti Dinars		
	31 March 2015 (Unaudited)	31 December 2014 (Audited)	31 March 2014 (Unaudited)
Documentary letters of credit	3,171,935	3,423,926	3,860,019
Letters of guarantees	43,543,724	43,693,751	29,285,376
Letters of acceptance	607,799	697,713	272,236
	<u>47,323,458</u>	<u>47,815,390</u>	<u>33,417,631</u>

20. General Assembly of Shareholders

The Annual General Assembly of Shareholders is not held for the year ended 31 December 2014 until the date of approving these interim condensed consolidated financial information and consequently, consolidated financial statements for the year ended 31 December 2014 are not approved yet. The interim condensed consolidated financial information for the three months period ended 31 March 2015 do not include any adjustments that could have been required in case the General Assembly of shareholders do not approve the consolidated financial statements for the year ended 31 December 2014. The Board of Directors recommended distribution of bonus shares of 10% on outstanding shares as at 31 December 2014. The proposed dividends, if approved, by the shareholders general assembly shall be payable to the shareholders registered in the Parent Company's records as of the date of the general assembly meeting.

21. Comparative figures

Certain prior period amounts have been reclassified to confirm with the current period presentation but with no effect on profit or equity.