

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES  
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED JUNE 30, 2017  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION

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Report on Review of interim condensed consolidated financial information

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

To the Board of Directors of  
Mubarrad Transportation Co. K.S.C. (Public) and its Subsidiaries  
State of Kuwait

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Transportation Co. K.S.C. (Public) (the "Parent Company") and its subsidiaries (Collectively the "Group") as of June 30, 2017, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three months and six months periods then ended, and the related interim consolidated statements of changes in equity and cash flows for the six months period then ended. 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'. 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

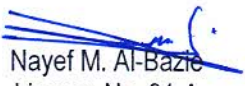
### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 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 violations of the Companies Law No. 1 of 2016, its Executive Regulations, or of the Parent Company's Memorandum of Incorporation and Articles of association during the six months period ended June 30, 2017 that might have had a material effect on the Parent Company's financial position or result of its operations.

State of Kuwait  
August 8, 2017

  
Nayef M. Al-Bazie  
Licence No. 91-A  
RSM Albazie & Co.

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**MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS OF JUNE 30, 2017**  
 (All amounts are in Kuwaiti Dinars)

		June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	3	961,023	1,430,086	1,500,243
Investment deposits	4	4,200,000	1,650,000	1,405,734
Accounts receivable and other debit balances		1,132,255	847,272	813,294
Due from related parties	5	358,435	15,000	-
Inventories		740,540	722,581	793,806
<b>Total current assets</b>		<b>7,392,253</b>	<b>4,664,939</b>	<b>4,513,077</b>
<b>Non-current assets:</b>				
Financial assets available for sale	6	2,416,714	1,275,321	1,392,278
Investment in associates	7	3,719,738	7,073,164	6,635,638
Investment properties		8,714,985	8,609,102	10,057,340
Property, plant and equipment		1,595,936	1,620,340	1,647,642
Goodwill		91,005	91,005	91,005
<b>Total non-current assets</b>		<b>16,538,378</b>	<b>18,668,932</b>	<b>19,823,903</b>
<b>Total assets</b>		<b>23,930,631</b>	<b>23,333,871</b>	<b>24,336,980</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Finance lease payables	8	1,762,070	1,927,778	1,868,772
Accounts payable and other credit balances		1,120,223	1,208,669	1,324,480
Due to related party	5	-	700	700
<b>Total current liabilities</b>		<b>2,882,293</b>	<b>3,137,147</b>	<b>3,193,952</b>
<b>Non-current liabilities:</b>				
Finance lease payables	8	1,113,967	1,246,759	1,354,068
Provision for end of service indemnity		341,589	318,081	285,596
<b>Total non-current liabilities</b>		<b>1,455,556</b>	<b>1,564,840</b>	<b>1,639,664</b>
<b>Total liabilities</b>		<b>4,337,849</b>	<b>4,701,987</b>	<b>4,833,616</b>
<b>Equity:</b>				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		582,386	582,386	448,224
Treasury shares reserve		84,388	84,388	84,388
Cumulative changes in fair value		15,855	15,561	(6,875)
Effect of changes in ownership interest of a subsidiary		1,588	1,588	1,588
Effect of changes in other comprehensive income of associates		117,874	57,062	7,606
Foreign currencies translation reserve		(1,894,980)	(1,811,312)	(197,129)
Retained earnings		4,261,319	3,281,001	2,738,126
<b>Equity attributable to Shareholders of the Parent Company</b>		<b>19,537,707</b>	<b>18,579,951</b>	<b>19,445,205</b>
Non-controlling interests		55,075	51,933	58,159
<b>Total equity</b>		<b>19,592,782</b>	<b>18,631,884</b>	<b>19,503,364</b>
<b>Total liabilities and equity</b>		<b>23,930,631</b>	<b>23,333,871</b>	<b>24,336,980</b>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

Mr. Abdullatif Mohammed Al-Shatti  
Chairman



**MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2017**  
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months period ended June 30,		For the six months period ended June 30,	
		2017	2016	2017	2016
Sales		386,889	281,786	680,996	495,489
Cost of sales		(274,055)	(214,064)	(484,913)	(378,855)
Gross profit		112,834	67,722	196,083	116,634
Revenues from transportation, leasing and maintenance		196,919	190,027	425,590	369,934
Cost of transportation, leasing and maintenance		(137,547)	(125,509)	(271,827)	(251,873)
Gross profit		59,372	64,518	153,763	118,061
Revenues from rental operations		280,834	209,104	625,492	512,697
Costs of rental operations		(54,581)	(50,850)	(108,616)	(103,634)
Gross profit		226,253	158,254	516,876	409,063
<b>Total gross profits</b>		<b>398,459</b>	<b>290,494</b>	<b>866,722</b>	<b>643,758</b>
General and administrative expenses		(145,496)	(153,114)	(396,957)	(319,199)
Depreciation		(9,725)	(4,517)	(19,295)	(19,466)
<b>Operating profit</b>		<b>243,238</b>	<b>132,863</b>	<b>450,470</b>	<b>305,093</b>
Realized gain on sale of financial assets available for sale		-	-	40,274	-
Share of results from associates	7	73,766	209,110	133,035	404,539
Gain on sale of investment in associate	7	-	-	1,341,979	-
Gain from sale of property, plant and equipment		-	-	3,149	118
Interest income		26,079	8,263	36,478	16,084
Finance charges		(54,965)	(58,018)	(111,930)	(116,430)
Foreign currency differences		(5,102)	13,507	6,202	1,375
Other income		100	738	7,414	847
<b>Profit for the period before contributions to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat</b>		<b>283,116</b>	<b>306,463</b>	<b>1,907,071</b>	<b>611,626</b>
Contribution to KFAS		(2,580)	(1,163)	(17,179)	(2,295)
Contribution to NLST		(7,414)	(7,123)	(48,306)	(14,904)
Contribution to Zakat		(1,338)	(775)	(17,695)	(775)
<b>Profit for the period</b>		<b>271,784</b>	<b>297,402</b>	<b>1,823,891</b>	<b>593,652</b>
Attributable to:					
Shareholders of the Parent Company		270,498	295,840	1,820,754	590,821
Non-controlling interests		1,286	1,562	3,137	2,831
		<b>271,784</b>	<b>297,402</b>	<b>1,823,891</b>	<b>593,652</b>
		<b>Fils</b>	<b>Fils</b>	<b>Fils</b>	<b>Fils</b>
<b>Basic and diluted earnings per share attributable to Shareholders of the Parent Company</b>	9	<b>1.65</b>	<b>1.80</b>	<b>11.12</b>	<b>3.61</b>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME (UNAUDITED)  
FOR THE PERIOD ENDED JUNE 30, 2017  
(All amounts are in Kuwaiti Dinars)

	Notes	For the three months period ended June 30,		For the six months period ended June 30,	
		2017	2016	2017	2016
Profit for the period		<u>271,784</u>	<u>297,402</u>	<u>1,823,891</u>	<u>593,652</u>
Other comprehensive income:					
<u>Items that may be reclassified subsequently to consolidated statements of profit or loss:</u>					
Related to financial assets available for sale :					
Change in fair value of financial assets available for sale		299	(8,464)	299	(8,442)
Transferred to consolidated statement of profit or loss upon sale of investment in associate	7	-	-	38,840	-
Share of other comprehensive income from associates		-	(847)	-	(3,500)
Exchange differences on translating foreign operations		<u>(87,722)</u>	<u>(7,636)</u>	<u>(83,668)</u>	<u>(433,124)</u>
Other comprehensive loss for the period		<u>(87,423)</u>	<u>(16,947)</u>	<u>(44,529)</u>	<u>(445,066)</u>
Total comprehensive income for the period		<u>184,361</u>	<u>280,455</u>	<u>1,779,362</u>	<u>148,586</u>
Attributable to:					
Shareholders of the Parent Company		183,070	278,912	1,776,220	145,845
Non-controlling interests		<u>1,291</u>	<u>1,543</u>	<u>3,142</u>	<u>2,741</u>
		<u>184,361</u>	<u>280,455</u>	<u>1,779,362</u>	<u>148,586</u>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

**MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2017**  
(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company										
	Share capital	Statutory reserve	Treasury shares reserve	Cumulative changes in fair value	Effect of changes in ownership interest of a subsidiary	Effect of changes in other comprehensive income of associates	Foreign currency translation reserve	Retained earnings	Subtotal	Non - controlling interests	Total equity
Balance at December 31, 2016	16,369,277	582,386	84,388	15,561	1,588	57,062	(1,811,312)	3,281,001	18,579,951	51,933	18,631,884
Profit for the period	-	-	-	-	-	-	-	1,820,754	1,820,754	3,137	1,823,891
Total other comprehensive income (loss) for the period	-	-	-	294	-	60,812	(83,668)	(21,972)	(44,534)	5	(44,529)
Total comprehensive income (loss) for the period	-	-	-	294	-	60,812	(83,668)	1,798,782	1,776,220	3,142	1,779,362
Cash dividends - 5% (Note 10)	-	-	-	-	-	-	-	(818,464)	(818,464)	-	(818,464)
<b>Balance at June 30, 2017</b>	<b>16,369,277</b>	<b>582,386</b>	<b>84,388</b>	<b>15,855</b>	<b>1,588</b>	<b>117,874</b>	<b>(1,894,980)</b>	<b>4,261,319</b>	<b>19,537,707</b>	<b>55,075</b>	<b>19,592,782</b>
Balance at December 31, 2015	16,369,277	448,224	84,388	1,567	1,588	11,106	235,905	2,965,769	20,117,824	55,418	20,173,242
Profit for the period	-	-	-	-	-	-	-	590,821	590,821	2,831	593,652
Total other comprehensive loss for the period	-	-	-	(8,442)	-	(3,500)	(433,034)	-	(444,976)	(90)	(445,066)
Total comprehensive (loss) income for the period	-	-	-	(8,442)	-	(3,500)	(433,034)	590,821	145,845	2,741	148,586
Cash dividends - 5% (Note 10)	-	-	-	-	-	-	-	(818,464)	(818,464)	-	(818,464)
<b>Balance at June 30, 2016</b>	<b>16,369,277</b>	<b>448,224</b>	<b>84,388</b>	<b>(6,875)</b>	<b>1,588</b>	<b>7,606</b>	<b>(197,129)</b>	<b>2,738,126</b>	<b>19,445,205</b>	<b>58,159</b>	<b>19,503,364</b>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.



**MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2017**  
(All amounts are in Kuwaiti Dinars)

	Notes	Six months period ended June 30,	
		2017	2016
<b>Cash flows from operating activities:</b>			
Profit for the period before contributions to KFAS, NLST and Zakat		1,907,071	611,626
Adjustments for:			
Depreciation		29,807	30,118
Gain on sale of property, plant and equipment		(3,149)	(118)
Realized gain on sale of financial assets available for sale		(40,274)	-
Share of results from an associate	7	(133,035)	(404,539)
Gain on sale of investment in an associate	7	(1,341,979)	-
Interest income		(36,478)	(16,084)
Finance charges		111,930	116,430
Provision for end of service indemnity		28,257	28,388
		<u>522,150</u>	<u>365,821</u>
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		(261,521)	62,371
Net movement in related parties		(10,444)	(12,842)
Inventories		(17,959)	(289,903)
Accounts payable and other credit balances		(131,966)	(483,616)
Cash flows generated from (used in) operations		<u>100,260</u>	<u>(358,169)</u>
Payment for end of service indemnity		(4,749)	(41,032)
Payment of KFAS		(7,476)	-
Payment of NLST		(29,205)	-
Payment of Zakat		(6,923)	-
Net cash flows generated from (used in) operating activities		<u>51,907</u>	<u>(399,201)</u>
<b>Cash flows from investing activities:</b>			
Net increase in investment deposits		(2,550,000)	(400,000)
Paid for purchase of property, plant and equipment		(5,404)	(8,889)
Proceeds from sale of investment in an associate	7	3,096,203	-
Proceeds from sale of property, plant and equipment		3,150	120
Proceeds from sale of financial assets available for sale		183,731	-
Cash dividends received from associate	7	-	200,224
Interest income received		23,201	16,084
Net cash flows generated from (used in) investing activities		<u>750,881</u>	<u>(192,461)</u>
<b>Cash flows from financing activities:</b>			
Paid to finance lease installments		(262,650)	(310,393)
Cash dividend paid		(814,520)	-
Finance charges paid		(147,780)	(116,430)
Net cash flows used in financing activities		<u>(1,224,950)</u>	<u>(426,823)</u>
Foreign currencies translation reserve		(46,901)	230,570
Net decrease in cash and cash equivalents		(469,063)	(787,915)
Cash and cash equivalents at the beginning of the period		1,430,086	2,288,158
Cash and cash equivalents at the end of the period	3	<u>961,023</u>	<u>1,500,243</u>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.



MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
JUNE 30, 2017  
(All amounts are in Kuwaiti Dinars)

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1. Incorporation and activities of Parent Company

Mubarrad Transportation Company is a Kuwaiti public Shareholding Company "the Parent Company" registered in State of Kuwait and was incorporated pursuant to memorandum of Incorporation of a limited liability Company, authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department – under No. 366/Volume 1 dated March 6, 1996 and its subsequent amendments, the latest of which was notarized on the commercial registry under Ref. No. 641715 on February 24, 2016.

The Parent Company is registered in the commercial register under Ref. No. 64715 on October 10, 2004.

The address of the Parent Company's registered office is Shuwaikh Industrial Area – Plot 140 & 141 – extension of Canada Dry Street – P.O. Box 42132 – Shuwaikh 70652 – State of Kuwait.

The Parent Company is 39.152% owned by A'ayan Leasing and Investment Group K.S.C. (Public).

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on August 8, 2017.

2. Basis of presentation

The 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 the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2016.

The interim condensed consolidated financial information does not include all the information and notes 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 in the accompanying interim condensed consolidated financial information. Operating results for the period ended June 30, 2017 are not necessarily indicative of the results that may be expected for the fiscal year ending on December 31, 2017. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2016.

The amendments to the International financial reporting standards which are effective for annual periods beginning January 1, 2017, did not have an impact on the Group's accounting policies, financial position and financial performance.

3. Cash and cash equivalents

	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
Cash on hand and at banks	961,023	1,430,086	1,150,520
Short term bank deposit	-	-	349,723
	<u>961,023</u>	<u>1,430,086</u>	<u>1,500,243</u>

4. Investment deposits

The effective interest rate on investment deposits is 2.25% per annum (December 31, 2016: 2.25%, June 30, 2016: 1.15%), these deposits have an average maturity of 188 days (December 31, 2016: 188 days, June 30, 2016: 182 days).

MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND SUBSIDIARIES  
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
JUNE 30, 2017  
(All amounts are in Kuwaiti Dinars)

5. Related parties disclosures

The Group entered into various transactions with related parties (i.e. Major shareholders, Board of Directors, Key management personnel and other related parties). Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

	Major shareholders	Other related party	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
Due from related parties	343,435	15,000	358,435	15,000	-
Financial assets available for sale (portfolios managed by a related party)	1,494,733	-	1,494,733	200,000	256,000
Investment property (real estate portfolio managed by a related party)	2,450,000	-	2,450,000	2,450,000	2,450,000
Due to related party	-	-	-	700	700

Compensation to key management personnel:

	For the three months period ended June 30,		For the six months period ended June 30,	
	2017	2016	2017	2016
Short term benefits	18,187	14,576	36,349	30,018
Termination benefits	1,525	1,294	3,033	2,589
	<u>19,712</u>	<u>15,870</u>	<u>39,382</u>	<u>32,607</u>

6. Financial assets available for sale

	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
<b>Quoted:</b>			
Equity securities	5,786	49,233	49,234
<b>Unquoted:</b>			
Equity securities	241,001	241,001	241,001
Investment portfolios	2,169,927	985,087	1,102,043
Total	<u>2,410,928</u>	<u>1,226,088</u>	<u>1,343,044</u>
	<u>2,416,714</u>	<u>1,275,321</u>	<u>1,392,278</u>

**MUBARRAD TRANSPORTATION CO. K.S.C. (PUBLIC) AND SUBSIDIARIES**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**JUNE 30, 2017**  
(All amounts are in Kuwaiti Dinars)

The movement during the period / year is as follows:

	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
Balance at the beginning of the period / year	1,275,321	1,400,755	1,400,755
Additions (Note 7)	1,294,733	-	-
Disposals	(153,639)	(60,956)	-
Changes in fair value	299	13,958	(8,477)
Impairment loss	-	(78,436)	-
Balance at the end of the period / year	2,416,714	1,275,321	1,392,278

**7. Investment in associates**

The investment in associate consist of the following:

Name of the associate	Country of incorporation	Principal activities	Percentage of ownership	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
Oman Integral Logistics Co. - O.S.C.C.	Sultanate of Oman	Logistic services	50%	3,719,738	3,727,081	3,439,201
Insha'a Holding Co. - K.S.C. (Holding)	State of Kuwait	Industrial activity	25.03%	-	3,346,083	3,196,437
				3,719,738	7,073,164	6,635,638

The movement during the period / year is as follows:

	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
Balance at the beginning of the period / year	7,073,164	6,453,830	6,453,830
Disposal of associate	(3,346,083)	-	-
Group's share of results from associates	133,035	745,088	404,539
Group's share of associates' other comprehensive income	-	45,956	(3,500)
Cash dividends received from associates	-	(200,224)	(200,224)
Foreign currencies translation reserve	(140,378)	28,514	(19,007)
Balance at the end of the period / year	3,719,738	7,073,164	6,635,638

During the period ended June 30, 2017, as per the Parent Company's Board of Directors' minutes of meeting held on March 9, 2017 and the sale agreement signed on March 12, 2017, the Parent Company sold its entire investment in Insha'a Holding Company – K.S.C. (Holding) for a total amount of KD 4,735,072, of which KD 3,440,339 cash consideration and KD 1,294,733 represents the value of certain assets, in the process of being transfer, of the disposed entity, were classified as financial assets available for sale (Note 6).

The sale procees resulted in a gain of KD 1,341,979 calculated as follows:

	KD
Cash consideration	3,440,339
Financial assets available for sale (Note 6)	1,294,733
Total selling amount	4,735,072
Less: consultancy and commission expenses	(8,170)
Less: amount transferred from consolidated statement of other comprehensive income to consolidated statement of profit or loss upon sale of investment in associate	(38,840)
Less: Net book value of the investment at date of giving-up significant influence	(3,346,083)
Gain on sale	1,341,979

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- The realized gain above is subject to adjustments upon the final agreement on the sale price between the parties.
- During the period, the Parent Company collected KD 3,096,203 from the cash consideration amount, and KD 344,136 was recorded as due from related party, who is authorized to receive the remaining amount of the sale transaction.

**8. Finance lease payables**

	June 30, 2017	December 31, 2016 (Audited)	June 30, 2016
Gross amount of Finance lease payables	3,204,919	3,502,775	3,722,392
Less: Unamortized future finance charges	(328,882)	(328,238)	(499,552)
Present value of finance lease payables	2,876,037	3,174,537	3,222,840
<b>Represented by:</b>	<b>June 30, 2017</b>	<b>December 31, 2016 (Audited)</b>	<b>June 30, 2016</b>
Current portion	1,762,070	1,927,778	1,868,772
Non-current portion	1,113,967	1,246,759	1,354,068
	2,876,037	3,174,537	3,222,840

The Parent Company renewed a lease agreement containing a bargain purchase option with a local bank, to finance the purchase of a right of utilization of an industrial plot, located at third Shuwaikh Industrial Area, Block (D), Plot No. (1/2/3), for a single rental annual payment due on April 30, 2017 with a bargain purchase option upon the complete settlement of the contractual payments. The leased asset is registered under the name of a local bank until the settlement of the contractual payments. The lease agreement was renewed till April 30, 2018.

During November 2015, the Subsidiary Company - Takatof Real Estate Co. E.S.C. entered into a finance lease agreement with a foreign financial institution, to finance the purchase of a land and the offices building constructed thereon, the land is located at New Cairo City – Block No. 211, Second Sector, Arab Republic of Egypt, for quarterly lease payments, the latest is due on November 15, 2020 with a bargain purchase option after the completion of all contractual payments. The leased asset is registered under the name of foreign financial institution until the settlement of the contractual payments.

**9. Basic and diluted earnings per share attributable to Shareholders of the Parent Company**

There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months period ended June 30,		For the six months period ended June 30,	
	2017	2016	2017	2016
Profit for the period attributable to shareholders of the Parent Company	270,498	295,840	1,820,754	590,821
Number of shares outstanding	Shares 163,692,769 Fils	Shares 163,692,769 Fils	Shares 163,692,769 Fils	Shares 163,692,769 Fils
Basic and diluted earnings per share attributable to shareholders of the Parent Company	1.65	1.80	11.12	3.61

**10. Shareholders' Annual Ordinary General Assembly**

The Shareholders' Annual Ordinary General Assembly held on April 19, 2017 approved the consolidated financial statements for the year ended December 31, 2016 and cash dividends distribution of 5%, equivalent to 5 Fils per share, for the year ended December 31, 2016, which is equivalent to a total amount of KD 818,464.



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The Shareholders' Annual Ordinary General Assembly held on March 24, 2016 approved the consolidated financial statements for the year ended December 31, 2015 and cash dividends distribution of 5%, equivalent to 5 Fils per share, for the year ended December 31, 2015, which is equivalent to a total amount of KD 818,464.

**11. Segment information**

For management purposes, the following activities were classified as operating segments:

Operating activity	Description
Transportation, leasing and maintenance segment	Represents goods transport, lease and charter means of transportation and maintenance of other vehicles
Vehicles body manufacturing segment	Represents vehicles' body manufacturing, importing, marketing and exporting.
Investment segment	Represents investments available for sale and investment properties.

Information related to each reportable operating segments is set out below:

**For the six months period ended June 30, 2017**

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenues	433,993	689,222	2,207,394	3,330,609
Total costs	(367,277)	(585,048)	(554,393)	(1,506,718)
Profit for the period	66,716	104,174	1,653,001	1,823,891

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Total assets	3,023,860	2,315,405	26,045,669	(7,454,303)	23,930,631
Total liabilities	224,462	528,911	5,534,944	(1,950,468)	4,337,849

**For the year ended December 31, 2016**

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Total assets	2,852,721	2,217,403	25,260,132	(6,996,385)	23,333,871
Total liabilities	210,476	486,744	5,915,622	(1,910,855)	4,701,987

**For the six months period ended June 30, 2016**

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenues	438,916	496,454	865,713	1,801,083
Total costs	(297,388)	(480,124)	(429,919)	(1,207,431)
Profit for the period	141,528	16,330	435,794	593,652

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	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Total Segment assets	2,668,416	2,316,168	27,850,917	(8,498,521)	24,336,980
Total Segment liabilities	197,699	658,812	6,083,383	(2,106,278)	4,833,616

Information related to Geographical locations is set out below:

For the six months period ended June 30, 2017					
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated segments
Revenues	3,516,822	227,361	3,744,183	(413,574)	3,330,609
Segment assets	28,086,374	3,298,560	31,384,934	(7,454,303)	23,930,631

For the six months period ended June 30, 2016					
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and eliminations	Consolidated Segments
Revenues	1,879,341	329,201	2,208,542	(407,459)	1,801,083
Segment assets	28,020,582	4,814,919	32,835,501	(8,498,521)	24,336,980

**12. Fair value measurement**

The Group measures its financial assets available for sale at fair value at the end of each reporting period.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial assets available for sale measured at fair value, by level of fair value hierarchy:

June 30, 2017	Level 1	Level 2	Total
Financial assets available for sale	5,786	2,169,927	2,175,713
Total	5,786	2,169,927	2,175,713

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December 31, 2016 (Audited)	Level 1	Level 2	Total
Financial assets available for sale	49,233	985,087	1,034,320
Total	49,233	985,087	1,034,320

June 30, 2016	Level 1	Level 2	Total
Financial assets available for sale	49,233	1,102,043	1,151,276
Total	49,233	1,102,043	1,151,276

Management of the Parent Company is of the view that no significant changes have occurred in fair values of the investment properties during the six months period ended June 30, 2017. All investment properties are considered level 2 in the fair value hierarchy.

During the six months period ended June 30, 2017, there was no transfers between different levels of fair value measurement hierarchy.