

**MUBARRAD TRANSPORTATION CO. K.S.C. - PUBLIC
AND ITS SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2014
(UNAUDITED)**

**WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

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AND ITS SUBSIDIARIES
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
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 (Parent Company) and its subsidiaries (the Group) as of June 30, 2014 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six-months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 Consolidated Financial Information Performed by the Independent Auditor of the Group". A review of interim 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 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 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. 25 of 2012 and its subsequent amendments or of the Parent Company's Articles of Association and Article of Incorporation during the period ended June 30, 2014 that might have materially affected the Group's financial position or result of its operations.

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State of Kuwait
July 22, 2014

MUBARRAD TRANSPORTATION CO. K.S.C. - PUBLIC AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2014
 (All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	June 30, 2014	December 31, 2013 (Audited)	June 30, 2013
Current assets:				
Cash and cash equivalent	3	2,747,924	1,275,041	1,366,216
Investment Deposit		400,000	1,750,000	950,000
Accounts receivable and other debit balances		1,436,204	1,223,900	2,287,648
Due from related parties	4	15,068	28,847	62,890
Right of utilization held for trading		-	2,750,000	2,750,000
Inventories		347,282	412,973	442,533
		<u>4,946,478</u>	<u>7,440,761</u>	<u>7,859,287</u>
Assets classified as held for sale	5	10,975	40,975	55,900
Total current assets		<u>4,957,453</u>	<u>7,481,736</u>	<u>7,915,187</u>
Investments available for sale				
Investment in associates	6	2,192,100	2,421,662	2,170,815
Investment property	7	5,408,931	4,219,854	3,355,935
Property, plant and equipment		6,047,872	2,878,879	2,884,676
Goodwill		2,595,450	2,769,500	3,538,013
		91,005	91,005	91,005
Total assets		<u>21,292,811</u>	<u>19,862,636</u>	<u>19,955,631</u>
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Short term finance contracts payable	8	1,764,250	1,819,987	1,769,258
Accounts payable and other credit balances		593,760	593,243	994,929
Due to related party	4	3,705	3,705	30,079
Total current liabilities		<u>2,361,715</u>	<u>2,416,935</u>	<u>2,794,266</u>
Provision for end of service indemnity		234,857	217,544	341,434
Total liabilities		<u>2,596,572</u>	<u>2,634,479</u>	<u>3,135,700</u>
Equity:				
Capital		16,369,277	16,369,277	21,687,924
Share premium		-	-	4,426,994
Statutory reserve		66,721	66,721	-
Treasury shares reserve		84,388	84,388	84,388
Cumulative changes in fair value		271,204	316,612	65,685
Group's share of changes in equity of subsidiary		1,588	1,588	1,588
Group's share of changes in other comprehensive income of associates		(15,491)	(14,917)	(12,152)
Foreign currency translation adjustments		(323,795)	(238,548)	(178,264)
Retained earnings (accumulated losses)		2,171,039	572,277	(9,328,229)
Equity attributable to the Parent Company's shareholders		<u>18,624,931</u>	<u>17,157,398</u>	<u>16,747,934</u>
Non - controlling interests		71,308	70,759	71,997
Total equity		<u>18,696,239</u>	<u>17,228,157</u>	<u>16,819,931</u>
Total liabilities and equity		<u>21,292,811</u>	<u>19,862,636</u>	<u>19,955,631</u>

The accompanying notes (1) to (11) form an integral part of the interim consolidated financial information

Abdullah Mohammed Al-Shaly
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, 2014
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2014	2013	2014	2013
Continuing operations					
Sales		219,664	34,588	475,479	286,367
Cost of sales		(160,791)	(36,370)	(324,064)	(265,202)
Gross profit (loss)		58,873	(1,782)	151,415	21,165
Net profit from transportation, leasing and maintenance		42,609	28,756	49,491	51,553
Net revenue from rental of stores		115,443	-	149,986	-
Total operating profit		216,925	26,974	350,892	72,718
General and administrative expenses		(205,860)	(186,543)	(367,585)	(404,389)
Provision for doubtful debts no longer required		4,936	5,000	11,236	10,000
Depreciation		(10,689)	(13,304)	(21,254)	(26,824)
Operating loss		5,312	(167,873)	(26,711)	(348,495)
Gain on sale of property, plant and equipment		-	3,499	-	20,880
Finance charge		(20,080)	(24,575)	(44,893)	(46,066)
Gain on sale of investments available for sale		-	-	29,800	-
Loss on sale of investments in subsidiaries		-	-	(656)	-
Gain from bargain purchase for acquisition of associate	6	192,165	-	192,165	-
Loss on sale of investment in associates		-	(13,831)	-	(13,831)
Group's share of result from associates	6	188,666	128,281	1,018,656	190,018
Unrealized gain from change in fair value of investment property	7	487,146	-	487,146	-
Foreign exchange (loss) gain		(91)	(771)	(423)	531
Income from deposit		5,435	2,202	10,848	3,730
Other income		3,918	9,842	12,057	54,230
Profit (loss) for the period from continuing operations		862,471	(63,226)	1,677,989	(139,003)
Profit (Loss) for the period from discontinued operations	5	-	196,968	(9,353)	558,183
Profit for the period before contribution to Kuwait Foundation for the advancement of sciences (KFAS), Zakat and National Labor Support Tax (NLST)		862,471	133,742	1,668,636	419,180
Contribution to KFAS		(5,732)	-	(12,987)	-
Contribution to Zakat		(7,042)	-	(14,357)	(2,712)
Contribution to NLST		(21,661)	-	(41,915)	-
Net profit for the period		828,036	133,742	1,599,377	416,468
Attributable to:					
Shareholders of the Parent Company		827,420	133,858	1,598,762	417,412
Non - controlling interests		616	(116)	615	(944)
Net profit for the period		828,036	133,742	1,599,377	416,468
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to shareholders of the parent company	9	5.05	0.82	9.77	2.55

The accompanying notes (1) to (11) form an integral part of the interim 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, 2014
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Six months ended June	
		June 30,	2013	30,	2013
		2014		2014	
Net profit for the period		828,036	133,742	1,599,377	416,468
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Change in fair value of investment available for sale		(27,868)	2,076	(30,611)	52,145
Reversal from cumulative change in fair value due to sale of investments available for sale		-	-	(14,797)	-
Share of change in other comprehensive income of associates	6	(507)	604	(574)	3,685
Foreign currency translation adjustments		(70,810)	(113,379)	(85,313)	(203,623)
Other comprehensive loss for the period		(99,185)	(110,699)	(131,295)	(147,793)
Total comprehensive income for the period		728,851	23,043	1,468,082	268,675
Attributable to:					
Shareholders of the parent company		728,277	23,098	1,467,533	269,407
Non-controlling interests		574	(55)	549	(732)
Total comprehensive income for the period		728,851	23,043	1,468,082	268,675

The accompanying notes (1) to (11) form an integral part of the interim 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, 2014
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the parent company											
	Capital	Share premium	Statutory reserve	Treasury shares reserve	Cumulative changes in fair value	Group's share of changes in equity of subsidiary	Group's share of changes in other comprehensive income of associates	Foreign currency translation adjustments	Retained earnings (accumulated losses)	Sub total	Non - controlling interests	Total equity
Balance as at December 31, 2012	21,687,924	4,426,994	-	84,388	13,540	1,588	(15,837)	25,571	(9,745,641)	16,478,527	72,729	16,551,256
Total comprehensive income (loss) for the period	-	-	-	-	52,145	-	3,685	(203,835)	417,412	269,407	(732)	268,675
Balance as at June 30, 2013	21,687,924	4,426,994	-	84,388	65,685	1,588	(12,152)	(178,264)	(9,328,229)	16,747,934	71,997	16,819,931
Balance as at December 31, 2013	16,369,277	-	66,721	84,388	316,612	1,588	(14,917)	(238,548)	572,277	17,157,398	70,759	17,228,157
Total comprehensive (loss) income for the period	-	-	-	-	(45,408)	-	(574)	(85,247)	1,598,762	1,467,533	549	1,468,082
Balance as at June 30, 2014	16,369,277	-	66,721	84,388	271,204	1,588	(15,491)	(323,795)	2,171,039	18,624,931	71,308	18,696,239

The accompanying notes (1) to (11) form an integral part of the interim 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, 2014
(All amounts are in Kuwaiti Dinars)

	Six months ended June 30,	
	2014	2013
Cash flows from operating activities:		
Profit (loss) for the period from continuing operations before contribution to Kuwait Foundation for the advancement of sciences (KFAS), Zakat and National labor	1,677,989	(139,003)
(Loss) profit for the period from discontinued operations before contribution to Kuwait Foundation for the advancement of sciences (KFAS), Zakat and Support tax (NLST)	(9,353)	558,183
Adjustments:		
Depreciation	176,873	254,951
Provision for doubtful debts no longer required	(11,236)	(10,000)
Gain on sale of property, plant and equipment	-	(20,880)
Gain on sale of investments available for sale	(29,800)	-
Group's share of results from associates	(1,018,656)	(190,018)
Gain from bargain purchase for acquisition of associate	(192,165)	-
Unrealized gain from change in fair value of investment property	(487,146)	-
Loss on sale of investment in associate	-	13,831
Loss (gain) from sale of assets classified as held for sale	9,353	(566,869)
Finance charge	44,893	46,066
Foreign currency translation adjustments	7,380	251,659
Income from deposits	(10,848)	(3,730)
Provision for end of service indemnity	26,261	57,796
	<u>183,545</u>	<u>251,986</u>
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(201,068)	281,709
Due from related parties	3,214	218,640
Inventory	65,691	(24,544)
Accounts payable and other credit balances	(40,528)	(536,966)
Cash generated from operations	10,854	190,825
Payment of KFAS	(5,968)	-
Payment of Zakat	(5,052)	-
Payment of NLST	(17,194)	-
End of service indemnity paid	(8,948)	(181,491)
Net cash (used in) generated from operating activities	<u>(26,308)</u>	<u>9,334</u>
Cash flows from investing activities:		
Net movement in investment deposits	1,350,000	(800,000)
Paid for purchase of property, plant and equipment	(2,823)	(10,691)
Paid for addition of investment property	(10,123)	(519,712)
Cash dividend received from associate	299,964	-
Paid for acquisition of associate	(282,594)	-
Proceeds from sale of assets classified as held for sale	20,647	4,481,037
Proceeds from sale of property, plant and equipment	-	64,990
Proceeds from sale of investments available for sale	213,902	-
Income from deposit received	10,848	3,730
Net cash generated from investing activities	<u>1,599,821</u>	<u>3,219,354</u>
Cash flows from financing activities:		
Liabilities directly related to assets classified as held for sale	-	(2,573,160)
Net movement in finance contracts payable	(55,737)	(91,956)
Net movement in due to related party	-	(110,408)
Finance charge paid	(44,893)	(46,066)
Net cash used in financing activities	<u>(100,630)</u>	<u>(2,821,590)</u>
Net increase in cash and cash equivalent	1,472,883	407,098
Cash and cash equivalent at beginning of the period	1,275,041	959,118
Cash and cash equivalent at end of the period	<u>2,747,924</u>	<u>1,366,216</u>

The accompanying notes (1) to (11) form an integral part of the interim consolidated financial information

MUBARRAD TRANSPORTATION CO. K.S.C. - PUBLIC AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2014
(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of Parent Company

Mubarrad Transportation Company K.S.C. - Public (Parent Company) was incorporated as per Article of Association 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 amended by contracts No. 335/Volume 1 dated February 7, 2000, No. 473/ Volume 1 dated January 28, 2003, No. 3092/ Volume 1 dated July 7, 2003, and the last contract authenticated at the Ministry of Justice – Real Estate Registration and Authentication Department under No 5394 / Volume 1 dated July 14, 2004, the following amendments were made according to the last contract:

First: The legal entity of Mubarred International Trading & Transportation Co. – Abdullatif and Jamal Mohammed Al-Fadalah and Partners – was changed from a limited liability Company to a Kuwaiti Shareholding Company - Public.

Second: Amendment of the Parent Company's name to be "Mubarrad Transportation Company - K.S.C. - Public".

The main activities of the Parent Company are:

- Transportation of goods.
- Ownership, rental and leasing of all types of transportation and loading.
- Opening garages to carry out maintenance services to the Company's various transportation machines and equipment related to the Company.
- Ownership, rental and leasing of lands and real estates required to achieve Company's objectives.
- Import, export, sale and leasing of various transportation means, heavy and light machines and equipment.
- Act as a commission agent regarding the transportation of goods , various transportation means , machines and equipment.
- Establishing, preparing and managing all kinds of warehouses of all types, including freezing or cooling, air conditioned or dry and open areas for all kinds of goods and storing all kinds of goods using depositing system under the customs supervision inside or outside the Free Zone Customs Areas and public warehouses.
- Practicing all activities of customs handling and preparing warehouses with installations and means and cranes necessary for arranging and moving goods inside and outside warehouses regions.
- Trading and taking agencies of all handling equipment and terrestrial, marine and aerial transportation means and its subsequence.
- Establishing and managing handicraft and industrial regions inside and outside Kuwait and shipping all kinds of goods and custom clearance.
- Managing computer systems related to custom procedures of Free Zones and public regions for controlling goods at the Company's warehouses or at other warehouses either governmental or private.
- Buying, selling and renting of cars and trucks as well as performing maintenance and repairs for the Company and for others, as well as for all kinds of forklifts and handling equipment, warehousing installations, representing agencies of land, marine and aerial shipping lines and companies and managing all gateways with all required mean for such workings.
- Designing, establishing, preparing renting and managing warehouses, designing, preparing, renting and managing all handicraft and industrial handicrafts and designing, establishing, preparing, renting and managing free customs regions and public warehouses, designing, establishing, renting and managing warehouses of government sector, ministries, government institutions and government companies and managing warehouses of the Company and others and clients.
- Investing available surplus funds in investment portfolios managed by specialized companies and parties.

The interim consolidated financial information was authorized for issue by the Board of Directors on July 22, 2014.

MUBARRAD TRANSPORTATION CO. K.S.C. - PUBLIC AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2014
 (All amounts are in Kuwaiti Dinars)

2. Basis of presentation

The interim 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 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, 2013 except for the implementation of the following standards which are effective starting from January 1, 2014:

Amendments to IAS 32 offsetting financial assets and financial liabilities

The amendments to IAS 32 clarify the meaning of "currently has a legally enforceable right of set off" and "simultaneous realization and settlement". These are effective for annual periods beginning on or after January 1, 2014.

This amendment is not expected to have a material impact on the interim consolidated financial information of the group.

The interim 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 consolidated financial information. Operating results for the period ended June 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2013.

3. Cash and cash equivalent

	June 30, 2014	December 31, 2013 (Audited)	June 30, 2013
Cash on hand and at banks	1,997,924	525,041	766,216
Short term bank deposit	750,000	750,000	600,000
	<u>2,747,924</u>	<u>1,275,041</u>	<u>1,366,216</u>

4. Related party disclosures

The Group has entered into various transactions with related parties, i.e. associates 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:

	<u>Associates</u>	<u>Other related parties</u>	<u>June 30, 2014</u>	<u>December 31, 2013 (Audited)</u>	<u>June 30, 2013</u>
Due from related parties	68	15,000	15,068	28,847	62,890
Due to related party	-	3,705	3,705	3,705	30,079

MUBARRAD TRANSPORTATION CO. K.S.C. - PUBLIC AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2014
 (All amounts are in Kuwaiti Dinars)

Compensation to key management personnel

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Salaries and other benefits	11,250	11,923	22,500	22,500
Indemnity	1,079	1,079	2,146	2,146
Leave	1,619	1,618	3,219	2,545
	<u>13,948</u>	<u>14,620</u>	<u>27,865</u>	<u>27,191</u>

5. Assets directly related to discontinued operations

During the year ended December 31, 2012 the Board of Directors resolved to dispose of (Transportation sector in State of Kuwait). Negotiations with several interested parties have subsequently taken place. The assets attributable to the (Transportation sector in State of Kuwait), which are expected to be sold within twelve months, have been classified as assets and liabilities held for sale and are presented separately in the interim condensed consolidated statement of financial position. The proceeds of disposal are expected to fall behind the net carrying value of the relevant assets and liabilities and, accordingly, provision for impairment loss has been recognized at the date of the previous interim condensed consolidated financial information. The major items of assets and liabilities comprising the disposal of (Transportation sector in state of Kuwait) classified as held for sale are as follows:

	June 30, 2014	December 31, 2013 (Audited)	June 30, 2013
Property, plant and equipment	10,975	10,975	15,737
Inventory	-	30,000	40,163
Total assets classified as held for sale	<u>10,975</u>	<u>40,975</u>	<u>55,900</u>

The analysis of profit (loss) from discontinued operations is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Revenue	-	196,968	-	810,079
Expenses	-	-	(9,353)	(251,896)
Profit (loss) for the period	<u>-</u>	<u>196,968</u>	<u>(9,353)</u>	<u>558,183</u>

Earnings (loss) per share attributable to equity holders of the parent company had been computed for discontinued operations as follows:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Profit (loss) for the period from discontinued operations	-	196,968	(9,353)	558,183
Weighted average number of shares outstanding	<u>163,692,769</u>	<u>163,692,769</u>	<u>163,692,769</u>	<u>163,692,769</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings (loss) per share relating to equity holders of the Parent Company from discontinued operations	<u>-</u>	<u>1.20</u>	<u>(0.06)</u>	<u>3.41</u>

MUBARRAD TRANSPORTATION CO. K.S.C. - PUBLIC AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2014
(All amounts are in Kuwaiti Dinars)

6. Investment in associates

The movement during the period / year is as follows:

	June 30, 2014	December 31, 2013 (Audited)	June 30, 2013
Balance at the beginning of the period / year	4,219,854	3,234,666	3,234,666
Additions	282,594	-	-
Group's share of capital increase in associate	-	727,796	-
Disposals	-	(91,754)	(91,754)
Dividends	(299,964)	-	-
Group's share of result from associates	1,018,656	338,343	190,018
Group's share of changes in other comprehensive income of associates	(574)	920	3,685
Gain from bargain purchase	192,165	-	-
Foreign currency translation adjustments	(3,800)	9,883	19,320
Balance at the end of the period / year	<u>5,408,931</u>	<u>4,219,854</u>	<u>3,355,935</u>

During the quarter ended June 30, 2014, Emdad for equipment leasing co - K.S.C.- (Closed) a subsidiary with 98% ownership, acquired 4.71% additional investment in associate, Inshaa Holding Co - K.S.C. (Holding) which resulted in increase of Group's ownership interest in associate Inshaa Holding Co-K.S.C. (Holding) from 20.32% to 25.03%.

The details of acquisition are as follows:

	Amount
Consideration paid	282,594
Deduct: fair value of net assets and liabilities and contingent liabilities	(474,759)
Gain from bargain purchase	<u>(192,165)</u>

7. Investment properties

The movement of investment properties is as follows:

	June 30, 2014	December 31, 2013 (audited)	June 30, 2013
Balance at the beginning of the period / year	2,878,879	2,638,112	2,638,112
Additions	10,123	520,939	519,712
Transfer from right of utilization held for trading	2,750,000	-	-
Foreign currency translation adjustment	(78,276)	(261,393)	(273,148)
Change in fair value	487,146	(18,779)	-
Balance at the end of the period / year	<u>6,047,872</u>	<u>2,878,879</u>	<u>2,884,676</u>

During the period, the group had signed agreement with third party for right of utilization against monthly rent and hence the right of utilization had been reclassified to investment properties.

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8. Short term finance contracts

This item represent finance contracts installments as follows:

	June 30, 2014	December 31, 2013 (Audited)	June 30, 2013
Finance contracts installments	1,848,108	1,848,108	1,848,108
Less: Deferred finance charges	(83,858)	(28,121)	(78,850)
	<u>1,764,250</u>	<u>1,819,987</u>	<u>1,769,258</u>

The Parent Company has renewed the finance lease contract with a local bank for purchasing a right of utilization located in Shuwaikh Industrial Area Plot (D), Buildings (1/2/3), payable in one installment on April 30, 2015..

9. Earnings per share (Fils)

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

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	2014	2013	2014	2013
Net profit for the period attributable to shareholders of the Parent Company	<u>827,420</u>	<u>133,858</u>	<u>1,598,762</u>	<u>417,412</u>
Weighted average number of shares outstanding	<u>163,692,769</u>	<u>163,692,769</u>	<u>163,692,769</u>	<u>163,692,769</u>
	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Earnings per share attributable to shareholders of the Parent Company	<u>5.05</u>	<u>0.82</u>	<u>9.77</u>	<u>2.55</u>

10. General Assembly

The Parent Company's General assembly held on March 30, 2014 approved the consolidated financial statements for the year ended December 31, 2013 and the Board of Directors' proposal not to distribute cash dividends for the year ended December 31, 2013.

The Parent Company's General assembly held on May 1, 2013 approved the consolidated financial statements for the year ended December 31, 2012 and the Board of Directors' proposal not to distribute cash dividends for the year ended December 31, 2012.

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11. Segment information

The Group's activities represent mainly three segments; transportation and leasing segment, investment segment, and vehicles body manufacturing segment. For the purposes of segment information, the management classified its activities as follows:

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

There are intra transactions between segments. These segments represent the basis which the Group present its main operations, which are as follows:

	Six months ended June 30, 2014			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenue	1,807,634	480,549	62,724	2,350,907
Total costs	(306,250)	(408,198)	(37,082)	(751,530)
Net profit for the period	1,501,384	72,351	25,642	1,599,377

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	25,158,728	2,049,927	2,957,896	(8,873,740)	21,292,811
Segment liabilities	4,249,326	436,801	2,816,696	(4,906,251)	2,596,572

	Six months ended June 30, 2013			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenue	1,877,648	169,455	48,996	2,096,099
Total costs	(1,441,617)	(223,359)	(14,655)	(1,679,631)
Net profit (loss) for the period	436,031	(53,904)	34,341	416,468

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	23,447,654	1,921,482	5,129,772	(10,543,277)	19,955,631
Segment liabilities	6,922,285	378,351	2,860,735	(7,025,671)	3,135,700