

**COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC)
AND SUBSIDIARIES
STATE OF KUWAIT**

**INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2014
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC)
AND SUBSIDIARIES
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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Combined Group Contracting Company - K.S.C. (Public)
State of Kuwait

Introduction

We have reviewed the accompanying Interim Condensed Consolidated statement of financial position of Combined Group Contracting Company - K.S.C. (Public) (the Parent Company) and subsidiaries (the Group) as of March 31, 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 three months period then ended. The Parent Company's management 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

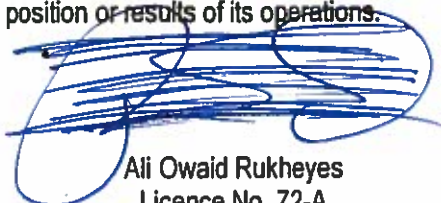
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim consolidated financial information Performed by the Independent Auditor of the Company." A review of interim consolidated financial information consists of making inquiries, primarily of persons 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

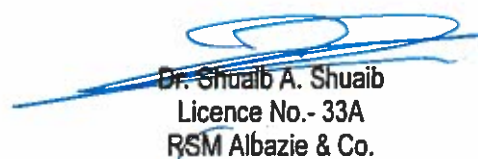
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

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 of 2012, its amendments and executive regulation, or of the Parent Company's Articles of Association during the period ended March 31, 2014 that might have had a material effect on the Parent Company's financial position or results of its operations.



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State of Kuwait
May 14, 2014

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2014
 (All amounts are in Kuwaiti Dinars)

	Note	March 31, 2014	December 31, 2013 (Audited)	March 31, 2013
ASSETS				
Non current assets:				
Fixed assets		17,221,156	18,031,306	17,092,828
Investment properties	3	691,235	2,208,735	-
Investments in an unconsolidated subsidiaries		93,001	93,001	93,001
Investment available for sale		700,000	700,000	700,000
Right of utilization of leasehold land		99,417	101,479	107,667
Contract retentions		12,412,361	13,895,981	17,543,379
Total non current assets:		31,217,170	35,030,502	35,536,875
Current assets:				
Materials in sites		34,116,953	31,625,855	29,758,122
Gross amount due from customers for contract work		44,223,436	39,620,957	34,979,326
Accounts receivable and other debit balances		97,950,240	68,231,992	62,410,119
Investments at fair value through profit or loss		3,108,058	2,788,692	2,503,465
Term deposits	4	280,000	280,000	280,000
Cash and cash equivalents	5	17,739,268	15,461,305	9,593,926
Total current assets		197,417,955	158,008,801	139,524,958
Total assets		228,635,125	193,039,303	175,061,833
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity:				
Share capital	6	10,629,366	10,629,366	10,629,366
Treasury shares	7	(64,374)	(64,374)	(64,374)
Treasury shares reserve		1,266,488	1,266,488	1,266,488
Statutory reserve		5,314,683	5,314,683	5,314,683
Voluntary reserve		1,817,340	1,817,340	1,817,340
Foreign currency translation adjustments		(38,240)	(26,831)	(24,978)
Retained earnings		21,762,733	21,168,634	26,625,956
Equity attributable to shareholders of the Parent Company		40,687,996	40,105,306	45,564,481
Non - controlling interests		2,408,044	2,318,739	2,165,300
Total shareholders' equity		43,096,040	42,424,045	47,729,781
Non current liabilities:				
Accounts payable and other credit balances		19,586,261	16,758,486	21,030,171
Long term loans	8	2,061,504	2,352,646	2,685,295
Provision for end of service indemnity		6,791,953	6,640,289	6,462,591
Total non current liabilities		28,439,718	25,751,421	30,178,057
Current liabilities:				
Gross amount due to customers for contract work		7,212,709	306,756	-
Accounts payable and other credit balances		101,909,484	84,258,339	69,274,634
Long term loans	8	3,046,769	2,380,627	5,506,628
Obligations for finance lease		1,289,950	1,289,950	-
Short-term loans and credit facilities	9	30,827,382	27,596,211	14,162,365
Due to banks	10	12,813,073	9,031,954	8,210,368
Total current liabilities		157,099,367	124,863,837	97,153,995
Total shareholders' equity and liabilities		228,635,125	193,039,303	175,061,833

The accompanying notes from (1) to (19) form an integral part of the interim consolidated financial information

Abdul Rahman M. Al-Marouf
Chairman and Managing Director

Raad Khalf Al Abdullah
Vice Chairman

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
 FOR THE PERIOD ENDED MARCH 31, 2014
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31,	
		2014	2013
Operating revenue		40,386,312	36,913,687
Operating Costs		(38,168,466)	(32,217,268)
Gross profit	11	2,217,846	4,696,419
Other income	12	566,676	191,956
Gain on sale of investment property	3	83,100	-
General and administrative expenses		(1,837,798)	(1,271,350)
Net investment income		290,398	197,200
Depreciation and amortization		(208,101)	(153,745)
Finance charges		(397,897)	(404,384)
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences and National Labor Support Tax and contribution to Zakat		714,224	3,256,096
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(6,249)	(27,766)
National Labor Support Tax (NLST)		(17,551)	(37,582)
Contribution to Zakat		(7,020)	(15,033)
Net profit for the period		683,404	3,175,715
Attributable to:			
Shareholders of the Parent Company		594,099	2,696,200
Non - controlling interests		89,305	479,515
		683,404	3,175,715
Earnings per share attributable to shareholders of the Parent Company (fils)	13	5.32	24.18

The accompanying notes from (1) to (19) form an integral part of the interim consolidated financial information

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME (UNAUDITED)
 FOR THE PERIOD ENDED MARCH 31, 2014
 (All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2014	2013
Net profit for the period	683,404	3,175,715
Other comprehensive income :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation adjustments	(11,409)	65,872
Other comprehensive (loss) income for the period	(11,409)	65,872
Total comprehensive income for the period	<u>671,995</u>	<u>3,241,587</u>
Attributable to:		
Shareholders of the Parent Company	582,690	2,762,072
Non-controlling interests	89,305	479,515
Total comprehensive income for the period	<u>671,995</u>	<u>3,241,587</u>

The accompanying notes from (1) to (19) form an integral part of the interim consolidated financial information.

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

	Attributable to shareholders of the Parent Company							Non-controlling interests	Total
	Capital	Treasury shares	Treasury shares reserve	Statutory reserve	Voluntary reserve	Foreign currency translation Adjustments	Retained earnings		
Balance at December 31, 2013	10,629,366	(64,374)	1,266,488	5,314,683	1,817,340	(26,831)	21,168,634	40,105,306	42,424,045
Total comprehensive (loss) income for the period									
Balance at March 31, 2014	<u>10,629,366</u>	<u>(64,374)</u>	<u>1,266,488</u>	<u>5,314,683</u>	<u>1,817,340</u>	<u>(38,240)</u>	<u>21,762,733</u>	<u>40,687,996</u>	<u>43,096,040</u>
Balance at December 31, 2012	10,629,366	(64,374)	1,266,488	5,314,683	1,817,340	(90,850)	23,929,756	42,802,409	44,488,194
Total comprehensive (loss) income for the period									
Balance at March 31, 2013	<u>10,329,366</u>	<u>(64,374)</u>	<u>1,266,488</u>	<u>5,314,683</u>	<u>1,817,340</u>	<u>(24,978)</u>	<u>26,625,956</u>	<u>45,564,481</u>	<u>47,729,781</u>

The accompanying notes from (1) to (19) form an integral part of the interim consolidated financial information

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2014	2013
Cash flows from operating activities		
Profit for the period before contribution to KAFS and NLST and contribution to Zakat	714,224	3,256,096
Adjustments for:		
Gain on sale of fixed assets	(101,467)	(162,753)
Gain on sale of investment property	(83,100)	-
Interest income	(1,106)	(12,305)
Net Investment income	(290,398)	(197,200)
Depreciation and amortization	1,578,764	1,339,097
Finance charges	397,897	404,384
Provision for end of service indemnity	284,889	388,074
	<u>2,499,703</u>	<u>5,015,393</u>
Changes in operating assets and liabilities:		
Spare parts and materials	(2,491,098)	(8,281,521)
Gross amount due from / to customers for contract works	2,303,474	1,635,800
Accounts receivable and other debit balances	(26,661,037)	487,507
Accounts payable and other credit balances	20,448,100	(4,747,102)
Cash used in from operations activities	(3,900,858)	(5,889,923)
Paid for end of service indemnity	(133,225)	(190,145)
Net cash used in operating activities	<u>(4,034,083)</u>	<u>(6,080,068)</u>
Cash flows from investing activities		
Paid for purchase of fixed assets	(2,597,337)	(1,188,082)
Proceeds from sale of fixed assets	1,937,852	373,041
Proceeds from sale of investment property	10,000	-
Paid for purchase of investment at fair value through profit or loss	(28,968)	-
Interest income received	1,106	12,305
Net cash used in investing activities	<u>(677,347)</u>	<u>(802,736)</u>
Cash flows from financing activities		
Finance charges paid	(397,897)	(404,384)
Net movement on long term loans	375,000	(647,830)
Net movement on short term loans and credit facilities	3,231,171	4,529,605
Net movement on due to banks	3,781,119	(595,003)
Net cash generated from financing activities	<u>6,989,393</u>	<u>2,882,388</u>
Net increase (decrease) in cash and cash equivalents	2,277,963	(4,000,416)
Cash and cash equivalents at beginning of the period	15,461,305	13,594,342
Cash and cash equivalents at end of the period (Note 5)	<u>17,739,268</u>	<u>9,593,926</u>

The accompanying notes from (1) to (19) form an integral part of the interim consolidated financial information

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

1. Incorporation and objectives of the Parent Company

The Combined Group Trading and Contracting Company - Suleiman Khaled Abdul-Latif Al-Hamad and Partners was incorporated pursuant to an Articles of Association of a Limited Liability Company, duly authenticated at the Ministry of Justice - Department of Real Estate Registration and Documentation under Ref. No. 215/B/Vol.4 on November 15, 1965.

According to a Limited Liability Company amendment Articles of Association, authenticated at the Ministry of Justice - Department of Real Estate Registration and Documentation under Ref. No. 6218/Vol.1 dated September 19, 2005, the following was considered:

1. Transfer the legal entity of Combined Group Trading and Contracting Company - Suleiman Khaled Abdul-Latif Al-Hamad and Partners – W.L.L. to Kuwaiti Shareholding Company.
2. According to Article No.(2) of the amendment Articles of Association; the Company's name become: "Combined Group Contracting Company - K.S.C. (Closed)" (previously Combined Group Trading and Contracting Company – Suleiman Khaled Abdul-Latif Al-Hamad and Partners .W.L.L.).

As per the issued letter from the Department of Shareholding Companies No.202 dated June 7, 2012 and as per the Extraordinary General Assembly meeting held on May 17, 2012 the following have been approved:

1. Approval of the proposal of the Board of Directors by increasing the Company's capital from KD 9,663,060 to KD 10,629,366 which amounted to KD 966,306 through the distribution of bonus shares equal to 9,663,060 shares with the percentage of 10% of the Company capital by 10 shares for every 100 shares, to be allocated to the existing shareholders in the Parent Company's records on the date of the General Assembly Meeting.
2. Amended Articles No. (5) from the Article of Incorporation and article No. (6) from Article of Association of the Parent Company to be the following: "The Company's Capital is KD 10,629,366 distributed over 106,293,660 shares with value of 100 fils for share and all shares are in kind and in cash" (Note 6).

The Parent Company is registered in the commercial register under Ref. No. 13595 dated September 19, 2005.

The Parent Company had been listed in Kuwait Stock Exchange Market since January 23, 2006.

The main objectives for which the Parent Company was established are as follows:

- Carry out general contracting, mechanical works, healthy engineering works, constructions works of building, ways, bridges and managing, controlling them and their related works.
- Manufacturing, producing and importing of various building materials (after the approval of Public Authority for Industry).
- Trading, packing and packaging cement, sand and related materials.
- Ready-mix works.
- Manufacturing and executing the dye works and decorations those are necessary to execute the civil works (after the approval of Public Authority for Industry).
- Asphalt production.
- Purchasing and importing the equipments and tools that are necessary to execute the Parent Company objectives.
- Owning the transportation intermediaries that are necessary for the Parent Company activities.
- Representation of the companies and enter tenders that have similar purposes.
- Investing the excess funds available with the Parent Company in portfolios and funds managed by specialized companies.

**COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

The Parent company may perform directly all of the above activities inside and outside the State of Kuwait, or through agents on its behalf. The Parent company may have an interest or participation in entities of similar activities which could assist the Parent company in achieving its objectives inside and outside the State of Kuwait, or may also acquire, participate or append such entities.

The registered Parent Company's address is P.O. Box 4819 Safat, 13049 State of Kuwait and located in Ardiya area, Block No. 2, building No. 284.

The Companies Law issued on November 26, 2012 by Decree Law No. 25 of 2012 (the "Companies Law"), cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on March 27, 2013 by Decree Law No. 97 of 2013 (the Decree). The Executive Regulation of the new amended law was issued on September 29, 2013 and was published in the official Gazette on October 6, 2013. As per article three of the executive regulation, the companies have one year from the date of publishing the executive regulation to comply with the new amended law.

The consolidated financial statements were authorized for issue by the Board of Directors of the Parent Company on May 14, 2014.

2. Basis of preparation

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 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.

Amendments to IFRS 10, IFRS 12 Investment Entities.

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated financial statements. The amendments are effective for annual periods beginning on or after January 1, 2014.

These amendments or standards have no material impact on the interim consolidated financial statements.

IFRS 9 Financial Instruments:

The standard, which was earlier effective for annual periods beginning on or after January 1, 2015 and now deferred specifies how an entity should classify and measure its financial assets. It requires all financial assets to be classified entirely based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortized cost or fair value. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of IAS 39. They apply a consistent approach to classifying financial assets and replace the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. They also result in one impairment method, replacing the numerous impairment methods in IAS 39 that arise from the different classification categories.

This standard is not expected to have any material impact on the interim consolidated financial statements.

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

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. Operating results for the period ended March 31, 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. Investment properties

The Group had sold investment property located in Al Fintas Area, Block No. 2, Plot No. 14 amounting to KD 1,595,000 which resulted in a gain amounting to KD 83,100.

4. Term Deposits

The effective interest rate on term deposits is 2.75% (December 31, 2013 – 2.75%, March 31, 2013 – 2.75%) per annum, this deposits mature within 4 years.

5. Cash and cash equivalents

	March 31, 2014	December 31, 2013 (Audited)	March 31, 2013
Cash on hand and at banks	17,239,268	14,961,305	3,276,516
Short term deposits	500,000	500,000	6,317,410
	<u>17,739,268</u>	<u>15,461,305</u>	<u>9,593,926</u>

The effective interest rate on short term deposits is 1.25% per annum (December 31, 2013 –1.1875%, March 31, 2013 from 0.625% to 1%), these deposits have a maturity of 90 days.

6. Share capital

The authorized, issued and fully paid-up capital KD 10,629,366 (December 31, 2013 _ KD 10,629,366, March,31,2013_ KD 10,629,366), consists of 106,293,660 shares (December 31, 2013 – 106,293,660 shares, March 31, 2013 – 106,293,660 shares) of nominal value of 100 fils each and all shares are in cash and in kind (Note 1).

7. Treasury shares

	March 31, 2014	December 31, 2013 (Audited)	March 31, 2013
Number of treasury shares (shares)	100,353	100,353	100,353
Percentage of issued shares (%)	0.094%	0.094%	0.094%
Market value (KD)	116,409	118,417	140,495
Cost (KD)	64,374	64,374	64,374

Based on Capital Markets Authority resolution dated December 30, 2013, the Company's management has allotted an amount equal to treasury shares balance from the available reserves as of the financial reporting date. Such amount will not be available for distribution during treasury shares holding period.

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

8. Long-term loans

Long-term loans are summarized as follows:

	<u>Current portion</u>	<u>Non-current portion</u>	<u>Total</u>
Loan from local bank guaranteed by a formal mortgage on Ardiya land and its construction, and is repayable in monthly installments for the period of 15 years until March 27, 2020 after a grace period of one year, and carries an interest rate of 3.5% per annum over the Central Bank of Kuwait discount rate.	135,600	575,363	710,963
Loan from local bank for financing the purchase of fixed assets guaranteed by a formal mortgage of the Parent company factories on Salibya industry area; and repayable in monthly installments for the period of 5 years until March 1, 2017, carries an interest rate of 4% per annum over the Central Bank of Kuwait discount rate.	617,000	1,202,998	1,819,998
Loan from local bank repayable in monthly installments and deducted 15% of the value of payments received for projects maturing in August 30, 2014, carries an interest rate of 2% per annum over the Central Bank of Kuwait discount rate.	1,537,821	-	1,537,821
Loans from Gulf banks repayable in monthly and quarterly installments and carries an interest rate ranging from 7% to 7.75% and maturing during 2016 and 2017 to finance purchase of asphalt factory against guaranteed by partners and mortgage of the buildings, machinery and equipments of a subsidiary.	756,348	283,143	1,039,491
Balance as of March 31, 2014	3,046,769	2,061,504	5,108,273
Balance as of December 31, 2013	2,380,627	2,352,646	4,733,273
Balance as of March 31, 2013	5,506,628	2,685,295	8,191,923

9. Short-term loans and credit facilities

Short term loans and credit facilities represent advance payments by the banks against construction contracts, which are to be settled by deducting 10% to 15% from the amounts to be received for the completed work. These loans carry interest rate ranging from 6.5% to 7.75% per annum (December 31, 2013 – from 6.5% to 7.75%, March 31, 2013 – between 4.5% to 5.25%).

Short term loans and credit facilities for the Parent Company and subsidiaries are secured by personal guarantees of partners and money transfer order for the revenue from projects to the banks.

COMBINED GROUP CONTRACTING COMPANY - K.S.C. (PUBLIC) AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2014

(All amounts are in Kuwaiti Dinars)

10. Due to banks

Due to banks represent overdrafts which carry interest rate ranging from 6.5% to 7.75% per annum (December 31, 2013 – from 6.5% to 7.75%, March 31, 2013 – between 4.5% to 5.25%). These balances are due upon demand.

Due to banks for the Parent Company and subsidiaries are secured by personal guarantees of partners and money transfer order for the revenue from projects to the banks.

11. Gross profit

	Three months ended March 31, 2014					Three months ended March 31, 2013
	Projects	Vehicles, machinery & garage	Asphalt factories and central mixers	Eliminations of inter-divisional transactions	Total	Total
Operating revenue	40,871,147	1,155,017	816,014	(2,455,866)	40,386,312	36,913,687
Operating Costs	(38,607,534)	(1,215,686)	(801,112)	2,455,866	(38,168,466)	(32,217,268)
Gross profit	<u>2,263,613</u>	<u>(60,669)</u>	<u>14,902</u>	<u>-</u>	<u>2,217,846</u>	<u>4,696,419</u>

12. Other income

Other income include insurance claims amounted to KD 291,189.

13. Earnings per share

Earnings per share is computed by dividing net profit for the period attributable to shareholders of the Parent Company over the weighted average number of outstanding shares, as follows:

	Three months March 31,	
	2014	2013
Net profit for the period attributable to shareholders' equity of the Parent Company	<u>594,099</u>	<u>2,696,200</u>
<u>Number of outstanding shares:</u>		
Number of issued shares at beginning of the period	111,608,343	111,608,343
Less: weighted average number of treasury shares	(105,371)	(105,371)
Weighted average number of outstanding shares	<u>111,502,972</u>	<u>111,502,972</u>
Earnings per share (fills)	<u>5.32</u>	<u>24.18</u>

Earnings per share reported for the period ended March 31, 2013 was 25.39 fills before retroactive adjustment relating to the issue of bonus shares (Note 14).

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14. General Assembly

The Shareholders' General Assembly held on May 11, 2014 approved the distribution of cash dividends of 35 fils per share and bonus shares of 5 shares for every 100 shares and remuneration for Board of Directors of KD 70,000 for the year ended December 31, 2013.

The Shareholders' General Assembly held on May 14, 2013 approved the distribution of cash dividends of 70 fils per share and remuneration for Board of Directors of KD 70,000 for the year ended December 31, 2012.

15. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position

	<u>March 31, 2014</u>	<u>December 31, 2013 (Audited)</u>	<u>March 31, 2013</u>
Accounts receivable and other debit balances	1,070,235	368,438	373,299

	<u>March 31, 2014</u>	<u>December 31, 2013 (Audited)</u>	<u>March 31, 2013</u>
Accounts payable and other credit balances	52,631	-	-

Interim condensed consolidated statement of profit or loss

	<u>Three months ended March 31,</u>	
	<u>2014</u>	<u>2013</u>
Key management compensation:		
Salaries and other short term benefits	236,358	380,442
Terminal benefits	5,806	8,016
	<u>242,164</u>	<u>388,458</u>

16. Capital commitments

As of the date of interim consolidated statement of financial position, the Group has capital commitments in respect of the following:

	<u>March 31, 2014</u>	<u>December 31, 2013 (Audited)</u>	<u>March 31, 2013</u>
Purchase of investment available for sale	400,000	400,000	400,000
Purchase of land in state of Qatar	-	-	346,683
Purchase of fixed assets	347,491	387,984	-
	<u>747,491</u>	<u>787,984</u>	<u>746,683</u>

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17. Segment information

The Group is organized into functional divisions to manage its various lines of business. The Group operates mainly in the State of Kuwait and outside. For the purposes of segment reporting, the Group's management has decided its products and services into the following segments:

- State of Kuwait segment.
- Gulf Countries segment.

Details of the above segments, which constitute the segment information, are as follows:

	March 31, 2014			
	State of Kuwait	Outside Kuwait	Non- controlling interests	Total
Operating revenue	30,383,934	10,002,378	-	40,386,312
Operating costs	(28,944,275)	(9,224,191)	-	(38,168,466)
Gross profit	1,439,659	778,187	-	2,217,846
Segment results	635,282	(41,183)	89,305	683,404
Segment assets	174,993,820	53,641,305	-	228,635,125
Segment liabilities	132,969,058	52,570,027	-	185,539,085

	March 31, 2013			
	State of Kuwait	Outside Kuwait	Non- controlling interests	Total
Operating revenue	27,194,968	9,718,719	-	36,913,687
Operating costs	(24,291,710)	(7,925,558)	-	(32,217,268)
Gross profit	2,903,258	1,793,161	-	4,696,419
Segment results	1,971,247	724,953	479,515	3,175,715
Segment assets	144,959,829	30,102,004	-	175,061,833
Segment liabilities	101,672,903	25,659,149	-	127,332,052

18. Contingent liabilities and claims

- A) At the date of interim consolidated statement of financial position, the Group was contingently liable in respect of the following:

	March 31, 2014	December 31, 2013 (Audited)	March 31, 2013
Letters of credit	13,794,061	19,824,976	35,082,533
Performance guarantees	96,713,017	136,209,340	102,948,549
Guarantees for advance payments	101,287,747	50,948,990	40,358,332
Guarantees for bids	30,632,019	8,402,773	10,406,273
Guarantees for retentions	13,858,556	14,630,335	14,917,935
Other guarantees	7,320,157	7,446,663	7,489,451
	<u>263,605,557</u>	<u>237,463,077</u>	<u>211,203,073</u>

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- B) At the date of consolidated statement of financial position, certain lawsuits were in progress for and against the Parent Company. In the opinion of management, the outcome of these lawsuits will be favorable and accordingly no provisions were accounted against these contingencies.

19. Fair value of financial instruments

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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 (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial instruments that are measured at fair value at:

<u>March 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments at fair value through profit or loss	<u>2,517,167</u>	<u>590,891</u>	<u>3,108,058</u>
<u>December 31, 2013 (Audited)</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments at fair value through profit or loss	<u>2,230,228</u>	<u>558,464</u>	<u>2,788,692</u>
<u>March 31, 2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments at fair value through profit or loss	<u>1,958,036</u>	<u>545,429</u>	<u>2,503,465</u>

During the period ended March 31, 2014, there were no transfers between different levels of fair value measurement.