

**Independent Petroleum Group Company S.A.K. (Closed)
and subsidiaries
State of Kuwait**



**Condensed consolidated interim financial information and independent auditors' review report
for the three month period ended 31 March 2013
(Unaudited)**



For the three month period ended 31 March 2013

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Independent auditors' report on review of condensed consolidated interim financial information

**The Board of Directors of
Independent Petroleum Group Company S.A.K. (Closed)
State of Kuwait**

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Independent Petroleum Group Company S.A.K. (Closed) ("the Parent Company") and its subsidiaries (together the "Group") as at 31 March 2013, and the condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard, IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Report on Other legal and Regulatory Requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the accounting records. We further report that nothing has come to our attention indicating any contravention during the three month period ended 31 March 2013, of the Companies Law No. 25 of 2012, as amended, or of the Parent Company's Memorandum and Articles of Association, that might have had a material effect on the Group's activities or on its consolidated financial position.



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Kuwait: 30 April 2013

**Condensed consolidated statement of income (unaudited)
for the three month period ended 31 March 2013**

	Notes	Three months ended 31 March	
		2013 KD '000	2012 KD '000
Sales		357,231	231,656
Cost of sales		(354,704)	(229,257)
Gross profit		2,527	2,399
Net interest relating to oil marketing operations	3	(1,032)	(1,303)
Net results of oil marketing operations		1,495	1,096
Share of results of joint venture and associates	7 & 8	1,121	670
General and administrative expenses		(403)	(547)
Staff costs		(1,166)	(980)
Depreciation		(356)	(471)
Operating profit / (loss)		691	(232)
Dividend income		135	81
Gain on investments at fair value through statement of income		811	1,828
Net other (expense) / income		(54)	137
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat		1,583	1,814
Contribution to KFAS		(14)	(16)
NLST and Zakat		-	-
Profit for the period		1,569	1,798
Earnings per share (fils)	4	10.85	12.43

The accompanying notes set out on pages 9 to 17 form an integral part of this condensed consolidated interim financial information.



**Condensed consolidated statement of comprehensive income (unaudited)
for the three month period ended 31 March 2013**

	Three months ended 31 March	
	2013 KD '000	2012 KD '000
Profit for the period	1,569	1,798
Other comprehensive income / (loss):		
<u>Items that may be reclassified subsequently to statement of income</u>		
Changes in fair value of investments available for sale	34	(29)
Foreign currency translation adjustments	1,497	(129)
Movement in share of associates' hedging reserve	(5)	55
Other comprehensive income / (loss) for the period	<u>1,526</u>	<u>(103)</u>
Total comprehensive income for the period	<u>3,095</u>	<u>1,695</u>

The accompanying notes set out on pages 9 to 17 form an integral part of this condensed consolidated interim financial information.

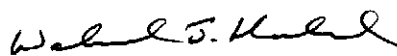
Condensed consolidated statement of financial position (unaudited)
as at 31 March 2013

	Notes	31 March 2013 KD '000	31 December 2012 KD '000 (Audited)	31 March 2012 KD '000
ASSETS				
Current assets				
Cash on hand and at banks	5	21,133	32,456	22,346
Investments at fair value through statement of income	6	44,069	42,627	41,277
Trade and other receivables		235,651	160,526	200,314
Inventories		54,376	66,089	24,496
Total current assets		355,229	301,698	288,433
Non-current assets				
Other loans		2,181	2,149	3,071
Investments available for sale	6	26,644	26,769	24,262
Investment in joint venture	7	4,320	4,068	4,105
Investment in associates	8	22,352	21,155	19,171
Property and equipment	9	19,296	19,387	21,915
Total non-current assets		74,793	73,528	72,524
Total assets		430,022	375,226	360,957
LIABILITIES AND EQUITY				
Current liabilities				
Due to banks		267,866	202,921	206,713
Directors' fees payable		-	100	-
Trade and other payables		72,550	81,201	69,942
Current portion of term loan		1,033	1,018	1,005
Total current liabilities		341,449	285,240	277,660
Non-current liabilities				
Non-current portion of term loan		8,020	8,413	8,811
Provision for staff indemnity		2,025	1,801	2,070
Total non-current liabilities		10,045	10,214	10,881
Total liabilities		351,494	295,454	288,541
Equity				
Share capital	10	15,225	15,225	15,225
Share premium		22,587	22,587	22,587
Legal reserve		7,152	7,152	6,553
General reserve		606	606	606
Fair value reserve		23,873	23,839	21,562
Foreign currency translation adjustments		(620)	(2,117)	(3,141)
Share of associates' hedging reserve		(196)	(191)	(208)
Treasury shares reserve		1,429	1,429	1,429
Treasury shares	11	(2,770)	(2,770)	(2,770)
Retained earnings		11,242	14,012	10,573
Total equity		78,528	79,772	72,416
Total liabilities and equity		430,022	375,226	360,957

The accompanying notes set out on pages 9 to 17 form an integral part of this condensed consolidated interim financial information.

Khalaf Ahmad Al-Khalaf
Chairman

Ghazi Fahad Al-Nafisi
Vice Chairman


Waleed Jaber Hadeed
Executive Managing Director

Independent Petroleum Group Company S.A.K. (Closed)
and subsidiaries
State of Kuwait



Condensed consolidated statement of changes in equity (unaudited)
for the three month period ended 31 March 2013

	Attributable to equity holders of the Parent Company							Total KD '000			
	Share capital KD '000	Share premium KD '000	Legal reserve KD '000	General reserve KD '000	Fair value reserve KD '000	Foreign currency translation adjustments KD '000	Share of associates' hedging reserve KD '000		Treasury shares reserve KD '000	Treasury shares KD '000	Retained earnings KD '000
Balance at 1 January 2013	15,225	22,587	7,152	606	23,839	(2,117)	(191)	1,429	(2,770)	14,012	79,772
Total											
comprehensive income for the period	-	-	-	-	-	-	-	-	-	1,569	1,569
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income / (loss)	-	-	-	-	34	1,497	(5)	-	-	-	1,526
Total											
comprehensive income / (loss) for the period	-	-	-	-	34	1,497	(5)	-	-	1,569	3,095
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2012 (note 16)	-	-	-	-	-	-	-	-	-	(4,339)	(4,339)
Balance at 31 March 2013	15,225	22,587	7,152	606	23,873	(620)	(196)	1,429	(2,770)	11,242	78,528

Independent Petroleum Group Company S.A.K. (Closed)
and subsidiaries
State of Kuwait



Condensed consolidated statement of changes in equity (unaudited)
for the three month period ended 31 March 2013

	Attributable to equity holders of the Parent Company							Total KD '000			
	Share capital KD '000	Share premium KD '000	Legal reserve KD '000	General reserve KD '000	Fair value reserve KD '000	Foreign currency translation adjustments KD '000	Share of associates' hedging reserve KD '000		Treasury shares reserve KD '000	Treasury shares KD '000	Retained earnings KD '000
Balance at 1 January 2012	15,225	22,587	6,553	606	21,591	(3,012)	(263)	1,429	(2,770)	8,775	70,721
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	1,798	1,798
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,798
Total other comprehensive (loss) / income	-	-	-	-	(29)	(129)	55	-	-	-	(103)
Total comprehensive income for the period	-	-	-	-	(29)	(129)	55	-	-	1,798	1,695
Balance at 31 March 2012	15,225	22,587	6,553	606	21,562	(3,141)	(208)	1,429	(2,770)	10,573	72,416

The accompanying notes set out on pages 9 to 17 form an integral part of this condensed consolidated interim financial information.



Condensed consolidated statement of cash flows (unaudited)
for the three month period ended 31 March 2013

	Note	Three months ended 31 March	
		2013 KD '000	2012 KD '000
OPERATING ACTIVITIES			
Profit before provisions for contribution to KFAS, NLST and Zakat		1,583	1,814
<i>Adjustments for:</i>			
Depreciation		356	471
Interest expense		1,039	1,320
Dividend income		(135)	(81)
Gain on investments at fair value through statement of income		(811)	(1,828)
Share of results from joint venture and associates		(1,121)	(670)
Interest income		(25)	(46)
Provision for staff indemnity		224	50
		<u>1,110</u>	<u>1,030</u>
<i>Changes in operating assets and liabilities:</i>			
Trade and other receivables		(75,107)	6,422
Inventories		11,713	54,847
Trade and other payables		<u>(8,578)</u>	<u>(76,203)</u>
Cash used in operations		<u>(70,862)</u>	<u>(13,904)</u>
Interest received		7	35
Payment to KFAS		(54)	-
Directors' fees paid		<u>(100)</u>	<u>-</u>
Net cash used in operating activities		<u>(71,009)</u>	<u>(13,869)</u>
INVESTING ACTIVITIES			
Investments available for sale		536	-
Investment in associates		-	(533)
Dividends received		135	81
Decrease in other loans		-	79
Purchase of property and equipment		<u>(2)</u>	<u>(9)</u>
Net cash generated from / (used in) investing activities		<u>669</u>	<u>(382)</u>
FINANCING ACTIVITIES			
Increase in due to banks		64,945	10,704
Decrease in term loans		(378)	(280)
Dividends paid		(4,339)	-
Interest paid		<u>(1,072)</u>	<u>(990)</u>
Net cash generated from financing activities		<u>59,156</u>	<u>9,434</u>
Effect of foreign currency translation		<u>(228)</u>	<u>26</u>
Net decrease in cash and cash equivalents		<u>(11,412)</u>	<u>(4,791)</u>
Cash and cash equivalents at beginning of the period		<u>31,314</u>	<u>26,374</u>
Cash and cash equivalents at end of the period	5	<u>19,902</u>	<u>21,583</u>

The accompanying notes set out on pages 9 to 17 form an integral part of this condensed consolidated interim financial information.



**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

1. Incorporation and activities

Independent Petroleum Group Company S.A.K. (Closed) ("the Parent Company") was incorporated on 11 September 1976 as a Closed Kuwaiti Shareholding Company. The Parent Company was listed on the Kuwait Stock Exchange on 10 December 1995.

The main activities of the Parent Company and its subsidiaries (together referred to as "the Group") are the trading of crude oil and petroleum products, strategic investments and joint ventures in petroleum storage facilities, terminal and distribution facilities and other activities related to the petroleum industry and consulting services in the petroleum and petrochemicals fields, ownership of vessels, ship-chartering and other ancillary services.

The registered address of the Parent Company is P.O. Box 24027, Safat 13101, State of Kuwait.

The Companies Law issued on 26 November 2012 by Decree Law No. 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No. 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law No. 97 of 2013 (the Decree).

According to article 2 and 3 of the Decree, the Executive Regulations which shall be issued by the Minister of Commerce and Industry within six months from the date of issue of amendments in the Official Gazette will determine the basis and rules, which the Parent Company shall adopt to regularize its affairs with the Companies Law as amended.

This condensed consolidated interim financial information for the three month period ended 31 March 2013 was authorized for issue by the Chairman on behalf of the Board of Directors on 30 April 2013.

2. Basis of preparation

a) Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012, except for the implementation of the following standards which are effective 1 January 2013:

IAS 1 Presentation of items of other comprehensive income

The amendments to IAS 1 require items of other comprehensive income to be grouped into two categories

- i. Items that will not be reclassified, subsequently to consolidated statement of income.
- ii. Items that may be reclassified to consolidated statement of income when specific conditions are met.

**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

IAS 28 Investments in associates and joint ventures.

As a consequence of the new IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in other entities*, IAS 28 *Investments in Associates* has been renamed to IAS 28 *Investments in Associates and Joint Ventures* which describes the application of the equity method to investments in Joint Ventures in addition to associates.

IFRS 7 Financial Instruments Disclosures

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforceable master netting agreement or similar arrangement.

IFRS 10 Consolidated Financial Statements

The new Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. It introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where control is based on whether an investor has power over the investee, exposure/rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

IFRS 11 Joint Arrangements

The Group shall determine the type of joint arrangement in which it is involved. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. Joint operators shall account for their share of assets, liabilities, revenue and expenses.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers. Joint venture shall apply equity method of accounting in accordance with IAS 28 - *Investment in associates and Joint Ventures (2011)*, unlike IAS 31, the use of 'proportionate consolidation' is not permitted.

IFRS 12 Disclosure of Interests in other entities

The new Standard combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.



Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013

IFRS 13 Fair Value Measurement

The new standard;

- defines fair value
- sets out in a single IFRS a framework for measuring fair value and
- requires disclosures about fair value measurements.

IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value. The change had no impact on the measurements of the Group's assets and liabilities.

The adoption of above standards has no financial impact on the condensed consolidated interim financial information, except for the new disclosure requirement under IFRS 13 as applicable to condensed consolidated interim financial information, see note 15.

The condensed consolidated interim financial information do not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the three month period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the year ending 31 December 2013. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2012.

b) Judgments and estimates

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and key source of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements for the year ended 31 December 2012.

3. **Net interest relating to oil marketing operations**

	Three months ended 31 March	
	2013	2012
	KD '000	KD '000
Interest income	7	17
Interest expense	(1,039)	(1,320)
	<u>(1,032)</u>	<u>(1,303)</u>

**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

4. Earnings per share

Earnings per share is computed by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 31 March	
	2013 KD '000	2012 KD '000
Profit for the period	<u>1,569</u>	<u>1,798</u>
	Shares	Shares
Weighted average number of issued shares outstanding during the period	152,250,000	152,250,000
Weighted average number of treasury shares outstanding during the period	<u>(7,620,000)</u>	<u>(7,620,000)</u>
Weighted average number of shares outstanding during the period	<u>144,630,000</u>	<u>144,630,000</u>
Earnings per share (fils)	<u>10.85</u>	<u>12.43</u>

5. Cash on hand and at banks

	31 March 2013 KD '000	31 December 2012 KD '000 (Audited)	31 March 2012 KD '000
Cash on hand and at banks	5,343	2,975	1,459
Call accounts and time deposits	<u>14,559</u>	<u>28,339</u>	<u>20,124</u>
Cash and cash equivalents	19,902	31,314	21,583
Time deposits with maturity exceeding three months	<u>1,231</u>	<u>1,142</u>	<u>763</u>
	<u>21,133</u>	<u>32,456</u>	<u>22,346</u>

**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

6. Investments

	31 March 2013 KD '000	31 December 2012 KD '000 (Audited)	31 March 2012 KD '000
Investments at fair value through statement of income:			
Held for trading:			
Managed portfolios	42,861	41,391	40,048
Securities	1,208	1,236	1,229
	<u>44,069</u>	<u>42,627</u>	<u>41,277</u>
Investments available for sale:			
Quoted securities	201	162	207
Unquoted securities	26,443	26,607	24,055
	<u>26,644</u>	<u>26,769</u>	<u>24,262</u>

Investments at fair value through statement of income with a carrying amount of KD 42,861 thousands (31 December 2012: KD 41,391 thousands and 31 March 2012: KD 40,048 thousands) are pledged as collateral against amounts due to banks.

The unquoted securities also include an investment of 12.5% in Asia Petroleum Ltd. carried at cost of KD 1,137 thousands (31 December 2012: KD 1,137 thousands and 31 March 2012: KD 1,137 thousands).

7. Investment in joint venture

The Group has a 50% equity shareholding with equivalent voting power in Uniterminals Ltd, Lebanon. Following are the details of share of results from joint venture recorded during the period:

	Three months ended 31 March	
	2013 KD '000	2012 KD '000
Share of results from Uniterminals Ltd, Lebanon	191	321
	<u>191</u>	<u>321</u>

The Group's share in the net assets and results of joint venture included in the condensed consolidated interim financial information was based on their respective management accounts for the three months period ended 31 March 2013 (2012: Three months period ended 31 March 2012).

**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

8. Investment in associates

Following are the details of share of results from associates recorded during the period:

	Three months ended 31 March	
	2013 KD '000	2012 KD '000
<i>Share of results from:</i>		
Horizon Singapore Terminals Private Ltd	514	449
Arab Tank Terminals L.L.C.	102	124
Inpetro SARL	31	(108)
Horizon Djibouti Holdings Ltd.	154	167
Horizon Tangiers Terminals SA.	129	(283)
	<u>930</u>	<u>349</u>

The Group's share in the net assets and results of associate companies included in the condensed consolidated interim financial information was based on their respective management accounts for the three months period ended 31 March 2013. (2012: Three months period ended 31 March 2012).

9. Property and equipment

Property and equipment at 31 March 2013 include KD 17,501 thousands (31 December 2012: thousands KD 17,797 and 31 March 2012: KD 20,240 thousands) related to ships owned by one of the subsidiaries, D&K Holdings L.L.C. Term loan fully relates to the financing of these vessels which are mortgaged against the term loan.

10. Share capital

The authorised, issued and fully paid share capital consists of 152,250,000 shares of 100 fils each (31 December 2012: 152,250,000 shares of 100 fils each and 31 March 2012: 152,250,000 shares of 100 fils each).

11. Treasury shares

	31 March 2013	31 December 2012 (Audited)	31 March 2012
Number of shares	7,620,000	7,620,000	7,620,000
Percentage of issued shares	5%	5%	5%
Market value (KD '000)	2,781	2,591	2,591
Cost (KD '000)	2,770	2,770	2,770

**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

12. Related party transactions

These represent transactions with related parties in the normal course of business. The related party transactions and balances included in the condensed consolidated interim financial information are as follows:

	Three months ended 31 March		
	2013 KD '000	2012 KD '000	
a) Revenues and expenses:			
Sales	83,099	37,373	
Storage expense	1,277	1,341	
b) Key management compensation			
Salaries and other short-term benefits	203	191	
Termination benefits	60	22	
c) Due from / to related parties:			
	31 March 2013 KD '000	31 December 2012 KD '000 (Audited)	31 March 2012 KD '000
<i>Due from related parties</i>			
Trade and other receivables	27,916	19,022	8,126
Other loans	2,181	2,149	3,071
<i>Due to related parties</i>			
Trade and other payables	1,726	2,032	1,973

Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013

13. Segment information

The Group primarily operates on trading of crude oil and petroleum products. The trading of crude oil and petroleum products is also related to storage and distribution operations. These operations are inter-related and subject to similar risks and returns. The management has determined that the Group is considered to have a single reportable operating segment. The Group operates in different geographic locations. Information about the Group's reportable operating segment is summarised as follows:

	Three months ended 31 March			
	2013		2012	
	Segment revenues KD '000	Segment results KD '000	Segment revenues KD '000	Segment results KD '000
Africa and Middle East	357,231	2,102	195,579	811
Europe and South America	-	-	16,950	63
Asia and Far East	-	514	19,127	465
	<u>357,231</u>	<u>2,616</u>	<u>231,656</u>	<u>1,339</u>
Unallocated corporate items		(1,925)		(1,571)
Operating profit /(loss)		<u>691</u>		<u>(232)</u>

14. Contingent liabilities and commitments

Contingent liabilities

	31 March 2013 KD '000	31 December 2012 KD '000 (Audited)	31 March 2012 KD '000
Letters of guarantee and bid bonds	7,976	1,859	4,341
Letters of credit	63,390	89,118	97,724
	<u>71,366</u>	<u>90,977</u>	<u>102,065</u>
Commitments			
Investments in projects	<u>14,000</u>	<u>14,000</u>	<u>7,187</u>

**Notes to the condensed consolidated interim financial information (unaudited)
for the three month period ended 31 March 2013**

15. Fair value estimation

Amended IFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of managed portfolios under investments at fair value through statement of income amounting to KD 42,861 thousands (31 December 2012: KD 41,391 thousands and 31 March 2012: KD 40,048 thousands) and quoted securities under available-for-sale investments amounting to KD 201 thousands (31 December 2012: KD 162 thousands and 31 March 2012: KD 207 thousands) are determined only based on Level 1 fair value measurement which is the quoted market prices prevailing at the reporting date. The fair value of securities under held for trading category is determined based on Level 2 fair value measurement inputs.

The fair value of investment in VHFL, classified as investments available for sale is determined based on Level 3 fair value measurement which is based on the Discounted Cash Flow method of valuation.

During the period ended 31 March 2013, there were no transfers between different levels of fair value measurement.

16. Annual general assembly

The Shareholders' Annual General Assembly held on 24 March 2013 approved the annual audited consolidated financial statements for the year ended 31 December 2012 and payment of a cash dividend of 30 fils per share for the year ended 31 December 2012.

The Shareholders' Annual General Assembly held on 21 March 2012 approved the annual audited consolidated financial statements for the year ended 31 December 2011. No dividends were declared for the year ended 31 December 2011.