

**Independent Petroleum Group Company K.S.C.P.  
and subsidiaries  
State of Kuwait**



**Condensed consolidated interim financial information and  
independent auditors' review report  
for the three month period ended March 31, 2016  
(Unaudited)**



<b>Index</b>	<b>Page</b>
Independent auditors' report on review of condensed consolidated interim financial information	1 - 2
Condensed consolidated statement of income (unaudited)	3
Condensed consolidated statement of comprehensive income (unaudited)	4
Condensed consolidated statement of financial position (unaudited)	5
Condensed consolidated statement of changes in equity (unaudited)	6 - 7
Condensed consolidated statement of cash flows (unaudited)	8
Notes to the condensed consolidated interim financial information (unaudited)	9 - 18



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

**The Board of Directors of  
Independent Petroleum Group Company K.S.C.P.  
State of Kuwait**

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Independent Petroleum Group Company K.S.C.P. ("the Parent Company") and its subsidiaries (together the "Group") as at 31 March 2016, and the related 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 2016, of the Companies Law No. 1 of 2016 and the Executive Regulations of the Law No. 25 of 2012 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.



**Safi A. Al-Mutawa**  
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**of KPMG Safi Al-Mutawa & Partners**  
**Member firm of KPMG International**



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

**Kuwait: 9 May 2016**

**Condensed consolidated statement of income (unaudited)  
for the three month period ended 31 March 2016**

	Notes	Three month period ended 31 March	
		2016 KD '000	2015 KD '000
Sales		138,114	124,191
Cost of sales		(136,115)	(123,979)
<b>Gross profit</b>		<u>1,999</u>	<u>212</u>
Net interest relating to oil marketing operations	3	(965)	(726)
<b>Net results of oil marketing operations</b>		<u>1,034</u>	<u>(514)</u>
Share of results of joint venture and associates	7 & 8	1,493	1,212
Dividend income	6	1,003	108
General and administrative expenses		(368)	(366)
Staff costs		(959)	(927)
Depreciation		(559)	(373)
<b>Operating profit / (loss)</b>		<u>1,644</u>	<u>(860)</u>
Unrealized (loss) / gain from investments at fair value through statement of income		(444)	902
Net other income	9	<u>43</u>	<u>690</u>
<b>Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat</b>			
Contribution to KFAS		1,243	732
NLST and Zakat		(12)	(7)
<b>Profit for the period</b>		<u>1,231</u>	<u>725</u>
<b>Earnings per share (fils)</b>	4	<u>8.51</u>	<u>5.01</u>

The accompanying notes 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 2016*

	<b>Three month period ended 31 March</b>	
	<b>2016 KD '000</b>	<b>2015 KD '000</b>
Profit for the period	1,231	725
<b>Other comprehensive (loss) / income :</b>		
Items that may be reclassified subsequently to statement of income		
Changes in fair value of investments available for sale	-	(18)
Foreign currency translation adjustments	(322)	1,279
<b>Other comprehensive (loss) / income for the period</b>	<u>(322)</u>	<u>1,261</u>
<b>Total comprehensive income for the period</b>	<u>909</u>	<u>1,986</u>

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



**Condensed consolidated statement of financial position (unaudited)  
as at 31 March 2016**

	Notes	31 March 2016 KD '000	31 December 2015 KD '000 (Audited)	31 March 2015 KD '000
<b>ASSETS</b>				
Cash on hand and at banks	5	32,651	39,127	29,578
Investments at fair value through statement of income	6	50,694	51,427	51,767
Trade and other receivables		94,581	52,123	94,952
Inventories		21,329	25,999	28,171
<b>Total current assets</b>		<b>199,255</b>	<b>168,676</b>	<b>204,468</b>
Other loans		1,247	729	1,112
Investments available for sale	6	26,643	26,790	22,327
Investment in joint venture	7	4,291	4,070	4,460
Investment in associates	8	30,327	29,244	28,231
Property and equipment	10	39,323	39,548	23,312
<b>Total non-current assets</b>		<b>101,831</b>	<b>100,381</b>	<b>79,442</b>
<b>Total assets</b>		<b>301,086</b>	<b>269,057</b>	<b>283,910</b>
<b>LIABILITIES AND EQUITY</b>				
Due to banks		159,698	134,101	135,228
Directors' fees payable		-	80	-
Trade and other payables		37,340	27,484	63,117
Current portion of term loan		2,928	3,095	1,087
<b>Total current liabilities</b>		<b>199,966</b>	<b>164,760</b>	<b>199,432</b>
Non-current portion of term loan		18,720	19,244	6,266
Provision for staff indemnity		2,235	2,181	2,037
<b>Total non-current liabilities</b>		<b>20,955</b>	<b>21,425</b>	<b>8,303</b>
<b>Total liabilities</b>		<b>220,921</b>	<b>186,185</b>	<b>207,735</b>
<b>Equity</b>				
Share capital	11	15,225	15,225	15,225
Share premium		22,587	22,587	22,587
Legal reserve		7,613	7,613	7,613
General reserve		606	606	606
Fair value reserve		24,514	24,514	19,566
Foreign currency translation adjustments		(1,480)	(1,158)	188
Share of associates' hedging reserve		-	-	(30)
Treasury shares reserve		1,429	1,429	1,429
Treasury shares	12	(2,770)	(2,770)	(2,770)
Retained earnings		12,441	14,826	11,761
<b>Total equity</b>		<b>80,165</b>	<b>82,872</b>	<b>76,175</b>
<b>Total liabilities and equity</b>		<b>301,086</b>	<b>269,057</b>	<b>283,910</b>

The accompanying notes 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  
Chief Executive Officer



**Condensed consolidated statement of changes in equity (unaudited)**  
*for the three month period ended 31 March 2016*

	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	Total KD '000
Balance at 1 January 2016	15,225	22,587	7,613	606	24,514	(1,158)	-	1,429	(2,770)	14,826	82,872
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	-	-	-	-	-	-	1,231	1,231
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive loss	-	-	-	-	-	(322)	-	-	-	-	(322)
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	-	-	(322)	-	-	-	1,231	909
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2015 (note 17)	-	-	-	-	-	-	-	-	-	(3,616)	(3,616)
<b>Balance at 31 March 2016</b>	<b>15,225</b>	<b>22,587</b>	<b>7,613</b>	<b>606</b>	<b>24,514</b>	<b>(1,480)</b>	<b>-</b>	<b>1,429</b>	<b>(2,770)</b>	<b>12,441</b>	<b>80,165</b>





Condensed consolidated statement of changes in equity (unaudited)  
for the three month period ended 31 March 2016

	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	Total KD '000
Balance at 1 January 2015	15,225	22,587	7,613	606	19,584	(1,091)	(30)	1,429	(2,770)	14,652	77,805
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	-	725	725
Profit for the period	-	-	-	-	-	-	-	-	-	725	725
Total other comprehensive (loss) / income	-	-	-	-	(18)	1,279	-	-	-	-	1,261
<b>Total comprehensive (loss) / income for the period</b>	-	-	-	-	(18)	1,279	-	-	-	725	1,986
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Dividends for 2014 (note 17)	-	-	-	-	-	-	-	-	-	(3,616)	(3,616)
<b>Balance at 31 March 2015</b>	<u>15,225</u>	<u>22,587</u>	<u>7,613</u>	<u>606</u>	<u>19,566</u>	<u>188</u>	<u>(30)</u>	<u>1,429</u>	<u>(2,770)</u>	<u>11,761</u>	<u>76,175</u>

The accompanying notes 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 2016**

	Note	Three month period ended 31 March	
		2016 KD '000	2015 KD '000
<b>OPERATING ACTIVITIES</b>			
Profit before provisions for contribution to KFAS, NLST and Zakat		1,243	732
<i>Adjustments for:</i>			
Depreciation		559	373
Interest expense		1,025	768
Dividend income		(1,003)	(108)
Unrealised loss / (gain) from investments at fair value through statement of income		444	(902)
Share of results from joint venture and associates		(1,493)	(1,212)
Interest income		(65)	(50)
Provision for staff indemnity		54	56
		<u>764</u>	<u>(343)</u>
<i>Changes in operating assets and liabilities:</i>			
Trade and other receivables		(42,453)	17,505
Inventories		4,670	(3,916)
Trade and other payables		9,857	4,147
<b>Cash (used in) / generated from operations</b>		<u>(27,162)</u>	<u>17,393</u>
Interest received		60	33
Payment to KFAS		(39)	(38)
Directors' fees paid		(80)	(80)
<b>Net cash (used in) / generated from operating activities</b>		<u>(27,221)</u>	<u>17,308</u>
<b>INVESTING ACTIVITIES</b>			
Dividends received		1,003	108
Increase in other loans		(518)	-
Purchase of property and equipment		(463)	(1,170)
<b>Net cash generated from / (used in) investing activities</b>		<u>22</u>	<u>(1,062)</u>
<b>FINANCING ACTIVITIES</b>			
Due to banks		25,597	(11,782)
Term loans		(691)	(83)
Dividends paid		(3,616)	(3,616)
Interest paid		(999)	(875)
<b>Net cash generated from / (used in) financing activities</b>		<u>20,291</u>	<u>(16,356)</u>
Effect of foreign currency translation		432	(1,870)
<b>Net decrease in cash and cash equivalents</b>		<u>(6,476)</u>	<u>(1,980)</u>
Cash and cash equivalents at beginning of the period		38,897	31,331
<b>Cash and cash equivalents at end of the period</b>	5	<u>32,421</u>	<u>29,351</u>

The accompanying notes 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 2016**

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**1. Incorporation and activities**

Independent Petroleum Group Company K.S.C.P. ("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 objectives of the parent company and its subsidiaries (the "Group") are as follows:

Benefit from national scientific and business expertise in petroleum and petrochemical industry to achieve the following objectives:

- a) Provide economic, technical and specialist advisory services to oil and petrochemicals producing and consuming governments and companies, in areas of marketing, refining, production, investment, financial affairs, planning, maritime transport, organization, training and other areas related to oil and petrochemicals;
- b) Conduct marketing researches, and gather and publish information about the oil and petrochemicals industry;
- c) Provide specialist services to the oil and petrochemicals consuming and producing governments to expedite communications and maintain consistent relationships among them;
- d) Initiate and carry out marketing operations and industrial projects for its own account or the account of oil and petrochemicals consuming and producing governments or in collaboration and participation with them in all areas of oil and petrochemical industry;
- e) Acquire facilities, tools, equipment and all other instruments used in oil and petrochemicals industry including manufacturing plants, transport means and others, for its own account or in participation with oil and petrochemicals producing and consuming governments and companies all over the world; and
- f) Act as agents and representatives for oil and petrochemicals producing and consuming governments and companies, and carry out all other operations required by company's activities, interests and objectives including sale, purchase and acquisition in all areas related to oil and petrochemicals.

The Parent company may have interest or to participate in any manner with entities that carry on similar business or that may assist it with achieving its objectives in the State of Kuwait or abroad, and it may buy these entities or acquire them as subsidiaries.

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

This condensed consolidated interim financial information for the three month period ended 31 March 2016 was authorized for issue by the Chairman on behalf of the Board of Directors on 9 May 2016.

Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016

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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 2015, except for the implementation of the following amendments to standards which are effective from 1 January 2016.

*Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

*Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. These amendments are not expected to have any impact on the Group.

*Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments are not expected to have any impact on the Group.

**Notes to the condensed consolidated interim financial information (unaudited)**  
*for the three month period ended 31 March 2016*

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*Amendments to IAS 1 Disclosure Initiative*

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify;

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are not expected to have any impact on the Group.

*Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments are not expected to have any impact on the Group.

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 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2015.

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 2015.

Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016

3. Net interest relating to oil marketing operations

	Three month period ended 31 March	
	2016 KD '000	2015 KD '000
Interest income	60	42
Interest expense	(1,025)	(768)
	<u>(965)</u>	<u>(726)</u>

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 month period ended 31 March	
	2016 KD '000	2015 KD '000
Profit for the period	<u>1,231</u>	<u>725</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>8.51</u>	<u>5.01</u>

5. Cash on hand and at banks

	31 March 2016 KD '000	31 December 2015 KD '000 (Audited)	31 March 2015 KD '000
Cash on hand and at banks	22,210	17,475	15,782
Call accounts and time deposits	<u>10,211</u>	<u>21,422</u>	<u>13,569</u>
Cash and cash equivalents	32,421	38,897	29,351
Time deposits with maturity exceeding three months	230	230	227
	<u>32,651</u>	<u>39,127</u>	<u>29,578</u>

Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016

6. Investments

	31 March 2016 KD '000	31 December 2015 KD '000 (Audited)	31 March 2015 KD '000
<b>Investments at fair value through statement of income:</b>			
<b>Held for trading:</b>			
Managed portfolios	49,136	49,933	50,755
Securities	1,558	1,494	1,012
	<u>50,694</u>	<u>51,427</u>	<u>51,767</u>
<b>Investments available for sale:</b>			
Quoted securities	187	190	207
Unquoted securities	26,456	26,600	22,120
	<u>26,643</u>	<u>26,790</u>	<u>22,327</u>

Investments at fair value through statement of income with a carrying amount of KD 49.14 million (31 December 2015: KD 49.93 million and 31 March 2015: KD 50.76 million) are pledged as collateral against amounts due to banks.

The unquoted securities include an investment of 12.5% in Asia Petroleum Ltd. carried at cost of KD 1.14 million (31 December 2015: KD 1.14 million and 31 March 2015: KD 1.14 million).

During the period ended 31 March 2016, the Group received a dividend of KD 1,003 thousands (31 March 2015: KD Nil) from Vopak Horizon Fujairah Limited (VHFL) and KD Nil (31 March 2015: KD 108 thousands) from Asia Petroleum Limited (APL).

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 month period ended 31 March	
	2016 KD '000	2015 KD '000
Share of results from Uniterminals Ltd, Lebanon	244	(90)
	<u>244</u>	<u>(90)</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 2016 (2015: Three months period ended 31 March 2015).

8. Investment in associates

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

**Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016**

	<b>Three month period ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>KD '000</b>	<b>KD '000</b>
<i>Share of results from:</i>		
Horizon Singapore Terminals Private Ltd	399	415
Arab Tank Terminals L.L.C.	147	121
Inpetro SARL	188	226
Horizon Djibouti Holdings Ltd.	243	235
Horizon Tangiers Terminals SA.	272	305
	<b>1,249</b>	<b>1,302</b>

The Group's share in the net assets and results of associates included in the condensed consolidated interim financial information was based on their respective management accounts for the three months period ended 31 March 2016 (2015: Three months period ended 31 March 2015).

**9. Net other income**

	<b>Three month period ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>KD '000</b>	<b>KD '000</b>
Net foreign exchange gain	38	682
Interest income related to project	5	8
	<b>43</b>	<b>690</b>

**10. Property and equipment**

Property and equipment at 31 March 2016 include KD 37.64 million (31 December 2015: KD 38.28 million and 31 March 2015: KD 15.914 million) 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.

**11. Share capital**

The authorised, issued and fully paid share capital consists of 152,250,000 shares of 100 fils each (31 December 2015: 152,250,000 shares of 100 fils each and 31 March 2015: 152,250,000 shares of 100 fils each).

**12. Treasury shares**

	<b>31 March 2016</b>	<b>31 December 2015</b>	<b>31 March 2015</b>
Number of shares	7,620,000	7,620,000	7,620,000
Percentage of issued shares	5%	5%	5%
Market value (KD Million)	2.36	2.13	3.05
Cost (KD Million)	2.77	2.77	2.77



Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016

13. Related party transactions and balances

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 month period ended		
	31 March		
	2016	2015	
	KD '000	KD '000	
<b>a) Revenues and expenses:</b>			
Sales	23,644	120,556	
Storage expense	1,319	1,357	
<b>b) Key management compensation</b>			
Salaries and other short-term benefits	162	162	
Termination benefits	15	15	
<b>c) Due from / to related parties:</b>			
	31 March	31 December	31 March
	2016	2015	2015
	KD '000	KD '000	KD '000
		(Audited)	
<i>Due from related parties</i>			
Trade and other receivables	11,067	7,606	10,495
Other loans	1,247	729	1,112
<i>Due to related parties</i>			
Trade and other payables	712	498	1,011

**Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016**

**14. 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:

	<b>Three month period ended 31 March</b>			
	<b>2016</b>		<b>2015</b>	
	<b>Segment revenues KD '000</b>	<b>Segment results KD '000</b>	<b>Segment revenues KD '000</b>	<b>Segment results KD '000</b>
Africa and Middle East	121,034	3,057	115,395	237
Europe	2,434	16	-	-
Asia and Far East	14,646	457	8,796	569
	<u>138,114</u>	<u>3,530</u>	<u>124,191</u>	<u>806</u>
Unallocated corporate items		(1,886)		(1,666)
Operating profit / (loss)		<u>1,644</u>		<u>(860)</u>
		<b>Middle East and Africa KD '000</b>	<b>Asia Pacific KD '000</b>	<b>Total KD '000</b>
<b>31 March 2016</b>				
Segment assets		94,581	-	94,581
Unallocated corporate assets		-	-	206,505
Total assets		<u>94,581</u>	<u>-</u>	<u>301,086</u>
Segment liabilities		15,875	6,421	22,296
Unallocated corporate liabilities		-	-	198,625
Total liabilities		<u>15,875</u>	<u>6,421</u>	<u>220,921</u>
		<b>Middle East and Africa KD '000</b>	<b>Asia Pacific KD '000</b>	<b>Total KD '000</b>
<b>31 December 2015</b>				
Segment assets		49,743	2,380	52,123
Unallocated corporate assets		-	-	216,934
Total assets		<u>49,743</u>	<u>2,380</u>	<u>269,057</u>
Segment liabilities		17,395	988	18,383
Unallocated corporate liabilities		-	-	167,802
Total liabilities		<u>17,395</u>	<u>988</u>	<u>186,185</u>

**Notes to the condensed consolidated interim financial information (unaudited)  
for the three month period ended 31 March 2016**

<b>31 March 2015</b>	<b>Middle East and Africa KD '000</b>	<b>Asia Pacific KD '000</b>	<b>Total KD '000</b>
Segment assets	85,922	9,030	94,952
Unallocated corporate assets	-	-	188,958
<b>Total assets</b>	<b>85,922</b>	<b>9,030</b>	<b>283,910</b>
Segment liabilities	43,185	8,074	51,259
Unallocated corporate liabilities	-	-	156,476
<b>Total liabilities</b>	<b>43,185</b>	<b>8,074</b>	<b>207,735</b>

**15. Contingent liabilities and commitments**

**Contingent liabilities**

	<b>31 March 2016 KD '000</b>	<b>31 December 2015 KD '000 (Audited)</b>	<b>31 March 2015 KD '000</b>
Letters of guarantee and bid bonds	5,532	3,384	1,831
Letters of credit	33,337	34,410	57,105
	<b>38,869</b>	<b>37,794</b>	<b>58,936</b>
<b>Commitments</b>			
Investments in projects	3,422	4,500	8,200

**16. Fair value estimation**

IFRS 13 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 49.14 million (31 December 2015: KD 49.93 million and 31 March 2015: KD 50.76 million) and quoted securities under available-for-sale investments amounting to KD 187 thousands (31 December 2015: KD 190 thousands and 31 March 2015: 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 2016, there were no transfers between different levels of fair value measurement.



**Notes to the condensed consolidated interim financial information (unaudited)**  
*for the three month period ended 31 March 2016*

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**17. Annual general assembly**

The Shareholders' Annual General Assembly held on 22 March 2016 approved the annual audited consolidated financial statements for the year ended 31 December 2015 and payment of a cash dividend of 25 fils per share for the year ended 31 December 2015.

The Shareholders' Annual General Assembly held on 10 March 2015 approved the annual audited consolidated financial statements for the year ended 31 December 2014 and payment of a cash dividend of 25 fils per share for the year ended 31 December 2014.