

**ABDULLAH ABDUL MOHSIN AL-
KHODARI SONS COMPANY**
(A Saudi Joint Stock Company)

**INTERIM FINANCIAL STATEMENTS
AND THE AUDITOR'S REPORT
(LIMITED REVIEW) FOR THE THREE
MONTHS AND YEAR ENDED 31
DECEMBER, 2015**

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

INTERIM FINANCIAL STATEMENTS AND AUDITOR'S REPORT (LIMITED REVIEW)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015

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AUDITOR'S REPORT (LIMITED REVIEW) ON INTERIM FINANCIAL STATEMENTS

To The Shareholders of
Abdullah Abdul Mohsin Al-Khodari Sons Company
(A Saudi Joint Stock Company)

Scope of limited review:

We have reviewed the accompanying interim balance sheet of Abdullah Abdul Mohsin Al-Khodari Sons Company ("the Company") (A Saudi Joint Stock Company) as at December 31, 2015 and the related interim statements of income for the three and year then ended and cash flows for the year then ended and attached notes from 1 to 11 which form an integral part of these interim financial statements. These interim financial statements are the responsibility of the Company's management and have been prepared by them and presented to us with all the necessary information and explanations which we required.

We conducted our limited review in accordance with the standard of auditing applicable to Review of Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants. A limited review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Review result:

Based on our limited review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with generally accepted accounting standards in the Kingdom of Saudi Arabia.

For Dr. Mohamed Al-Amri & Co.

Gihad M. Al-Amri
Certified Public Accountant
Registration No. 362

January 19, 2016 G
Rabi 'II, 9, 1437 H




ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

INTERIM BALANCE SHEET (UNAUDITED)
AS AT 31 DECEMBER 2015

| | Note | 2015 SR (Un-audited) | 2014 SR (Audited) |
|---|------|----------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | | 92,915,955 | 164,702,675 |
| Accounts receivable | | 657,525,485 | 612,678,572 |
| Advances to suppliers, prepayments and other current assets | | 328,475,624 | 212,301,958 |
| Value of work executed in excess of billings | 4 | 1,571,892,703 | 1,359,674,280 |
| Amounts due from related parties | | 15,154,374 | 5,378,091 |
| Inventories | | 71,273,376 | 102,219,222 |
| Assets held for sale | | 14,346,136 | 19,074,884 |
| TOTAL CURRENT ASSETS | | 2,751,583,653 | 2,476,029,682 |
| NON CURRENT ASSETS: | | | |
| Investments in subsidiaries | | 4,292,191 | 4,292,191 |
| Mobilization costs | | 18,772,863 | 30,663,180 |
| Long term deposits | | 31,124,259 | 26,709,607 |
| Property, equipment and vehicles | | 443,382,984 | 583,348,442 |
| TOTAL NON-CURRENT ASSETS | | 497,572,297 | 645,013,420 |
| TOTAL ASSETS | | 3,249,155,950 | 3,121,043,102 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable | | 530,351,612 | 393,245,088 |
| Accrued expenses and other current liabilities | | 281,697,311 | 129,419,180 |
| Advances from customers | | 62,121,860 | 102,839,748 |
| Amounts due to related parties | | 23,204,270 | 5,905,051 |
| Provision for zakat | | 8,229,936 | 7,318,814 |
| Short term loans | | 24,575,955 | 62,860,251 |
| Current portion of term loans | | 441,117,348 | 401,520,716 |
| Dividends payable | | 1,663,647 | 1,663,647 |
| TOTAL CURRENT LIABILITIES | | 1,372,961,939 | 1,104,772,495 |
| NON CURRENT LIABILITIES: | | | |
| Term loans | | 638,816,460 | 899,440,817 |
| Advances from customers | | 126,885,224 | 159,646,191 |
| Employees' end of service benefits | | 81,892,416 | 69,633,919 |
| Loan from an affiliate | | 139,050,000 | 3,750,000 |
| TOTAL NON-CURRENT LIABILITIES | | 986,644,100 | 1,132,470,927 |
| TOTAL LIABILITIES | | 2,359,606,039 | 2,237,243,422 |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital | 5 | 531,250,000 | 531,250,000 |
| Statutory reserve | | 71,004,201 | 67,652,928 |
| Retained earnings | | 287,295,710 | 284,896,752 |
| TOTAL SHAREHOLDERS' EQUITY | | 889,549,911 | 883,799,680 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 3,249,155,950 | 3,121,043,102 |


Kailash Sadangi
Chief Financial Officer


Ali AlKhodari
Authorised Board Member


Fawwaz Al-Khodari
Chief Executive Officer


The accompanying notes 1 to 11 form an integral part of these interim financial statements.

ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015

| | Notes | 3 months period from 1 October to 31 December | | 12 months period from 1 January to 31 December | |
|--|-------|--|----------------------------|---|------------------------------------|
| | | (Un-audited) 2015 SR | (Un-audited) 2014 SR | Un-audited) 2015 SR | (Audited) 2014 SR mnb0076 |
| Revenues | 10 | 385,401,604 | 449,501,113 | 1,569,938,925 | 1,737,304,534 |
| Direct costs | | (370,887,643) | (400,389,308) | (1,451,963,656) | (1,584,600,154) |
| Gross profit | 10 | 14,513,961 | 49,111,805 | 117,975,269 | 152,704,380 |
| Selling and marketing | | (2,443,010) | (5,034,546) | (15,102,826) | (16,254,174) |
| General and administration | | (15,870,549) | (21,927,528) | (68,159,276) | (72,422,604) |
| (Loss) / income from main operations | | (3,799,598) | 22,149,731 | 34,713,167 | 64,027,602 |
| Other income, net | 7 | 14,371,485 | 32,658,921 | 47,727,095 | 77,465,217 |
| Financial charges | | (10,608,767) | (7,811,850) | (45,649,750) | (37,536,055) |
| (Loss) / income before zakat | | (36,880) | 46,996,802 | 36,790,512 | 103,956,764 |
| Zakat | | (1,000,000) | (1,361,414) | (3,277,781) | (2,782,536) |
| Net (loss) / income for the period / year | | (1,036,880) | 45,635,388 | 33,512,731 | 101,174,228 |
| (Loss) / earnings per share (from main operations) | | (0.07) | 0.42 | 0.65 | 1.21 |
| (Loss) / earnings per share (from net (loss)/ income) | | (0.02) | 0.86 | 0.63 | 1.90 |
| Weighted average number of shares outstanding | 5 | 53,125,000 | 53,125,000 | 53,125,000 | 53,125,000 |


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Chief Financial Officer


Ali Al-Khodari
Authorised Board Member


Fawwaz Al-Khodari
Chief Executive Officer

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.


ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2015

| | 2015 SR (Un-audited) | 2014 SR (Audited) |
|---|----------------------------|-------------------------|
| OPERATING ACTIVITIES: | | |
| Income before zakat | 36,790,512 | 103,956,764 |
| <i>Adjustments for:</i> | | |
| Depreciation | 144,820,671 | 192,638,000 |
| Amortisation of mobilization cost | 14,920,441 | 13,274,818 |
| Provision for employees' end of service benefits | 24,538,164 | 24,257,312 |
| Gain on disposal of assets held for sale | (41,064,354) | (71,194,536) |
| Financial charges | 45,649,750 | 37,536,055 |
| | <u>225,655,184</u> | <u>300,468,413</u> |
| Changes in operating assets and liabilities: | | |
| Accounts receivables | (54,623,196) | 152,526,455 |
| Advances to suppliers, prepayments and other current assets | (116,173,666) | 86,292,985 |
| Inventories | 30,945,846 | (2,063,385) |
| Value of work executed in excess of billings | (212,218,423) | (349,823,933) |
| Accounts payables | 154,405,743 | 259,309,741 |
| Accrued expenses and other current liabilities | 287,578,131 | (60,008,799) |
| Advances from customers | (73,478,855) | (54,402,735) |
| Billings in excess of the value of works executed | - | (1,908,983) |
| Long term deposits | (4,414,652) | (26,709,607) |
| Net cash from operations | <u>237,676,112</u> | <u>303,680,152</u> |
| Financial charges paid | (45,649,750) | (37,536,055) |
| Zakat paid | (2,366,659) | (2,737,887) |
| Employees' end of service benefits paid | (12,279,667) | (19,829,466) |
| Net cash from operating activities | <u>177,380,036</u> | <u>243,576,744</u> |
| INVESTING ACTIVITIES: | | |
| Purchase of property, equipment and vehicles | (103,143,078) | (338,797,393) |
| Mobilization cost incurred | (3,030,124) | (16,135,584) |
| Proceeds from disposal of assets held for sale | 144,080,967 | 205,436,114 |
| Net cash from / (used in) investing activities | <u>37,907,765</u> | <u>(149,496,863)</u> |
| FINANCING ACTIVITIES: | | |
| Movement in short term and long term loans | (259,312,021) | (89,932,693) |
| Dividend paid | (26,562,500) | (26,562,500) |
| Director's remuneration paid | (1,200,000) | (1,200,000) |
| Net cash used in financing activities | <u>(287,074,521)</u> | <u>(117,695,193)</u> |
| DECREASE IN CASH AND CASH EQUIVALENTS | <u>(71,786,720)</u> | <u>(23,615,312)</u> |
| Cash and cash equivalents at the beginning of the year | 164,702,675 | 188,317,987 |
| CASH AND CASH EQUIVALENT AT THE END OF THE YEAR | <u>92,915,955</u> | <u>164,702,675</u> |


Kailash Sadangi
Chief Financial Officer


Ali Al Khodari
Authorised Board Member


Fawwaz Al-Khodari
Chief Executive Officer

The accompanying notes 1 to 11 form an integral part of these interim condensed financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015

1. ORGANIZATION AND ACTIVITIES

Late Sheikh Abdullah Abdul Mohsin Al-Khodari founded a sole proprietorship in the Kingdom of Saudi Arabia in 1966 as general contracting. It was converted to a Saudi limited partnership under the name of Abdullah Abdul Mohsin Al-Khodari Sons Company on 25 Rajab 1412H corresponding to 30 January 1992. It was again converted into a Saudi Closed Joint Stock Company in accordance with Ministerial Resolution Number 152/Q dated 16 Jumad Awal 1430H (corresponding to 11 May 2009).

On 27 June 2010, Capital Market Authority accepted the application of the management of the Company for initial public offering of 12.75 million shares at Saudi Riyal 48 per share with the subscription date from 4 to 10 October 2010. From 23 October 2010, the shares of the Company have been listed at Saudi stock exchange.

The Company is registered in Saudi Arabia under Commercial Registration number 2050022550.

The Company is engaged in the following activities:

- General contracting works related to construction, renovation and demolition, roads, water and sewage system works, mechanical works, marine works, dams and well drilling.
- Maintenance and operation of roads and tunnels, irrigation sewage and dams, airports, power plants—sewage systems, training and educational centers, playgrounds, provisional and permanent exhibitions.
- Janitorial services, municipality works, commercial and residential building cleaning – landscaping, park cleaning and maintenance, disposal of wastes—cleaning of petroleum tanks and pipes.
- Air conditioning and refrigeration works.
- Travel and tourism.
- Cargo haulage.
- Publicity and advertisement.
- Management and operation of hospitals and health centers.
- Training centers.
- Management of hazardous industrial wastes.
- Manufacturing of waste squeezing equipment for vehicles, water and diesel tanks, waste containers, different trailers, cement tanks, concrete moulds, arms for cranes, chassis, water boilers, pressure systems, heat exchangers, cement mixers, chinaware, electric bulbs and paraffin wax.
- Wholesale and retail trade of building materials, electric items, iron and steel, copper, lead, aluminum, hardware, medical and surgical equipment, hospital requirements, communication systems, cameras and accessories, electronic calculators, safety equipment, watches, glasses, industrial tools and equipment, road construction equipment, sewage treatment equipment, industrial cleaning equipment, industrial equipment control systems, cement factory equipment, gypsum factory equipment, textile machines, heat exchangers, truck mounted cement mixers, axle fans, tunnel ventilation equipment, sound proof systems, agricultural machines, vehicles and spare parts, decoration items, chemical materials for industrial works, industrial equipment, chemical materials for sewage treatment, oils collection, treatment and burning of gases resulting from waste burial, indirect fans, emergency ventilation, engineering, fans, industrial jet, complete air tunnels, examination platforms, boilers and pressure regulators, petrochemical parts and equipment, acoustic cleaners, industrial blowers, gypsum machines, electrical and thermal probes, equipment for industry/roads/construction, generators and turbines, stoves, stacks and rust removal machines.
- Construction, operation and maintenance of power plants, electrical utilities, desalination plants, sewerage treatment plants, petrochemical factories, gas and oil refineries, cement factories, industrial facilities.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015**

1. ORGANIZATION AND ACTIVITIES (continued)

- Industrial work contracts related to construction of factories, extension of oil and gas pipelines and petrochemical works.
- Commercial services related to brokerage other than exchange and real estate works.
- Commercial agencies, after registration of each agency with the ministry of commerce.
- Operation and maintenance of electrical and electronic systems and computers.
- Import and export services, marketing for others, cooked and uncooked food services, inspection interview services, packaging and shipment.
- Maintenance and repair of cars.
- Wholesale and retail trading/renting of light and heavy equipment.
- Water works, sewerage, maintenance, landscaping and cleaning contracts.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared on the accruals basis of accounting in accordance with generally accepted accounting principles applicable in the Kingdom of Saudi Arabia. The Company has applied the same accounting policies and principles for preparing these interim financial statements with those set out in the audited financial statements for the year ended December 31, 2014. Significant accounting policies adopted in the preparation of these interim financial statements are summarized below:

Accounting convention

The interim financial statements are prepared under the historical cost convention.

Use of estimates

The preparation of interim financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenues and expenses during the reporting period.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances and cash in hand and short term deposits that are readily convertible into known amounts of cash and have original maturities of three months or less.

Accounts receivable

Accounts receivable are stated at original invoice amount less a provision for any doubtful amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Inventories

Inventories are stated at the lower of cost and market value. Cost is determined using purchase cost on a weighted average basis.

Investments

Investments in subsidiaries are accounted for under equity method.

Mobilisation costs

Direct costs incurred to commence new contracts are deferred and amortised over the period of related contracts.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, equipment and vehicles/depreciation

Property, equipment and vehicles are initially recorded at cost and are stated at cost less accumulated depreciation and any impairment in value. The cost of property, equipment and vehicles is depreciated on a straight line basis over the estimated useful lives of the assets. Following are the estimated useful lives of the assets for the calculation of depreciation:

| | |
|---------------------------------|--------------|
| Buildings, potables and hangers | 4-20 years |
| Machinery, equipment and tools | 4-10 years |
| Construction vehicles | 4-6.67 years |
| Office equipment and furniture | 4-6.67 years |

The carrying values of property, equipment and vehicles are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditures for repair and maintenance are charged to income. Improvements that increase the value or materially extend the life of the related assets are capitalized.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be measured reliably.

Statutory reserve

As required by Saudi Arabian Regulations of the Companies, 10% of the net income for the period has been transferred to the statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the capital. The reserve is not available for distribution.

Employees' end of service benefits

Provision is made for amounts payable according to Company's policy applicable to employees' accumulated periods of service at the balance sheet date.

Zakat

Zakat is provided for in accordance with Saudi Arabian fiscal regulations. The provision is charged to the statement of income. Additional amounts, if any, that become due on finalization of assessment are accounted for in the period in which assessment is finalised.

Foreign currencies

Transactions in foreign currencies are recorded in Saudi Riyals at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the interim statement of income.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmental reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (a business segment) or in providing products or services within a particular economic environment (a geographic segment), which is subject to risks and rewards that are different from those of other segments.

(Loss)/earnings per share

Basic (loss)/earnings per share from net (loss)/income is calculated by dividing the net (loss)/income for the period/year by the weighted average number of shares outstanding during the period.

Basic (loss)/earnings per share from main operations is calculated by dividing (loss)/income from main operations for the period /year by the weighted average of number of shares outstanding during the period.

Revenue recognition

Trading revenue

Sales revenue represents the invoiced value of goods supplied and services rendered by the Company during the period. Services performed but not billed at the balance sheet date are classified as "accrued income".

Contracting revenue

The Company principally operates fixed price contracts. If the outcome of such a contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the percentage of completion method of each contract activity at year end.

The outcome of a construction contract can be estimated reliably when:

- (i) the total contract revenue can be measured reliably;
- (ii) it is probable that the economic benefits associated with the contract will flow to the entity;
- (iii) the costs to complete the contract and the stage of completion at the balance sheet date can be measured reliably; and
- (iv) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and the estimated cost to complete.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

When the stage of completion is determined by reference to the contract costs incurred up to the reporting date, only those contract costs that reflect work performed are included in costs incurred up to the reporting date. The following costs are excluded from contract costs:

(i) Contract costs that relate to future activity on the contract, such as costs of materials that have been delivered to a contract site or set aside for use in a contract but not yet installed, used or applied during contract performance, unless the materials have been made especially for the contract.

(ii) Payments made to subcontractors in advance of work performed under the subcontract.

The value of work executed but not billed at the balance sheet date is classified as "value of work executed in excess of billings" under current assets. Amount billed in excess of work executed at the balance sheet date is classified as "billing in excess of value of work executed" are classified under current liabilities.

When an uncertainty arises about the collectability of an amount already included in contract revenue, and already recognized in the statement of income, the uncollectable amount or the amount in respect of which recovery has ceased to be probable is recognized as an expense rather than as an adjustment of the amount of contract revenue.

Revenue from change orders is recognized when:

(i) The change orders have been approved by the customer; and

(ii) The amount of change order can be measured reliability

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. The amount of such a loss is determined irrespective of:

(i) Whether or not work has commenced on the contract.

(ii) The stage of completion of contract activity.

(iii) The amount of profits expected to arise on other contracts which are not treated as a single construction contract.

Change in the estimate of contract revenue or contract costs or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and accordingly accounted for prospectively.

Contract costs

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision), costs of materials used in construction, depreciation of equipment used on the contract, costs of design, and technical assistance that is directly related to the contract.

Operating leases

Operating lease payments are recognised as an expense in the statement of income on a straight line basis over the lease term.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses

Selling and marketing expenses are those that project bidding costs and advertising as well as allowance for doubtful debts. All other expenses except for operating costs and financial charges are classified as general and administration expenses.

Fair value

The fair value of commission bearing items is estimated based on discounted cash flows using commission rates for items with similar terms and risk characteristics.

3. INTERIM PERIOD RESULTS

All necessary adjustments have been made by the Company's management to present fairly the interim financial statements for the Company and the results of its interim operations. The results of operations for the interim period may not be an accurate indication of the actual results for the full year.

4. VALUE OF WORK EXECUTED IN EXCESS OF BILLINGS

| | 2015 SR (Un-audited) | 2014 SR (Audited) |
|--|----------------------------|-------------------------|
| Contract value of projects | 8,070,153,255 | 10,006,324,455 |
| Less: Value of un-executed work to date (backlog)* | <u>(2,969,148,866)</u> | <u>(3,275,115,841)</u> |
| Value of work executed to date | 5,101,004,389 | 6,731,208,614 |
| Less: Progress billings and advances | <u>(3,529,111,686)</u> | <u>(5,371,534,334)</u> |
| | <u>1,571,892,703</u> | <u>1,359,674,280</u> |

The movement in work in progress was as follows:

| | 2015 SR (Un-audited) | 2014 SR (Audited) |
|--|----------------------------|-------------------------|
| At the beginning of the year | 1,359,674,280 | 1,009,850,347 |
| Add: Value of work executed during the year | 1,558,714,279 | 1,728,570,517 |
| Less: Progress billings and advances during the year | <u>(1,346,495,856)</u> | <u>(1,378,746,584)</u> |
| At the end of the year | <u>1,571,892,703</u> | <u>1,359,674,280</u> |

*Backlog figures exclude cleaning, operations and maintenance contracts which do not follow percentage of completion method for revenue recognition.

5. SHARE CAPITAL

Share capital is divided into 53.125 million shares (31 December 2014: 53.125 million shares) of SR 10 each.

6. DIVIDENDS

During the period, the Company paid dividends of SR 0.5 per share totaling SR 26.56 million (31 December 2014: SR 26.56 million) as approved by the shareholders in their general assembly.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTHS AND YEAR ENDED 31 DECEMBER 2015**

7. OTHER INCOME

| | Period from January 1 to 31 December | |
|--|---|-------------------------|
| | 2015 SR (Un-audited) | 2014 SR (Audited) |
| Gain on disposal of assets held for sale | 41,064,354 | 71,194,536 |
| Miscellaneous | 6,662,741 | 6,270,681 |
| | 47,727,095 | 77,465,217 |

8. CONTINGENT LIABILITY

The Company's bankers have given guarantees on behalf of the Company limited to SR 454.38 million (31 December 2014: SR 542.80 million) mainly in respect of performance guarantees to a customer and payment guarantees to suppliers.

9. EARNINGS PER SHARE

Earnings per share have been calculated based on the weighted average number of shares during the period/year of 53.125 million shares (31 December 2014: 53.125 million shares).

10. SEGMENT INFORMATION

Consistent with the Company's internal reporting process, business segments have been approved by management in respect of the company's activities. Transactions between the business segments are reported at cost. The company's revenue, gross profit and net assets by business segment, are as follows:

| | <i>Contracting SR</i> | <i>Trading SR</i> | <i>Total SR</i> |
|--------------|-------------------------------------|-----------------------|---------------------|
| | 31 December 2015(Un-audited) | | |
| Revenues | 1,558,714,279 | 11,224,646 | 1,569,938,925 |
| Gross profit | 114,703,245 | 3,272,024 | 117,975,269 |
| Net assets | 881,064,972 | 8,484,939 | 889,549,911 |
| | 31 December 2014(Audited) | | |
| Revenues | 1,728,570,517 | 8,734,017 | 1,737,304,534 |
| Gross profit | 149,301,747 | 3,402,633 | 152,704,380 |
| Net assets | 879,020,321 | 4,779,359 | 883,799,680 |

All of the Company's operating assets and principal markets of activity are located in the Kingdom of Saudi Arabia.

11. COMPARATIVE FIGURES

Certain of prior period amounts have been reclassified to conform to the presentation in the current period.