Al Salam Group Holding Company

K.S.C (Public)
and its subsidiaries
Kuwait
Interim condensed consolidated financial information
for the three months ended March 31, 2017
with review report
(Unaudited)

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(Unaudited)

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The Board of Directors,
Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Review report on the interim condensed consolidated financial information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Salam Group Holding Company K.S.C. (Public) – "the Parent Company" as of March 31, 2017 and the statements of profit or loss, profit or loss and other comprehensive income, changes in equity and the interim condensed consolidated statements of cash flows for the three months period then ended. The management of the Group is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review of interim condensed 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 condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

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Certified Public Accountants, Consultants, Businises Advisors

Report on other legal and regulatory matters

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting books of the "Parent Company". We further report that, to the best of our knowledge and belief, no violations of the Companies Law no. 1 of year 2016 and related Executive Regulations or the "Parent Company" memorandum and articles of association, as it's amendments, have occurred during the three months period ended March 31, 2017 that might have had a material effect on the business of the "Parent Company" or on its interim condensed consolidated financial position. Except for the non holding of the "Parent Company's" general assembly for approving the consolidated financial statements for the financial year ended December 31, 2016.

Abdul Hussain M. Al- Rasheed
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Adel Al- Sanea
Auditors Registry No. 86 Category (A)
Kuwaiti Accounting Auditing
A member of H.L.B International

May 11, 2017
State of Kuwait

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Interim condensed consolidated statement of financial position as of March 31, 2017
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Note	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016
Assets				
Cash and cash equivalent		**155,766**	67,720	340,629
Term Deposit		**135,000**	135,000	135,000
Investments at fair value - statement of profit or loss	4	**7,487,253**	7,450,916	7,403,182
Accounts receivable and other debit balances	5	**5,725,383**	5,997,713	6,604,648
Available for sale investments	6	**7,598,244**	7,466,128	2,193,323
Investments in associates	7	**16,434,339**	16,316,140	16,642,542
Intangible assets		**3,846,354**	3,846,354	3,846,354
Property and equipment		**2,353,801**	2,415,623	2,471,381
Total assets		**43,736,140**	43,695,594	39,637,059
Liabilities and equity				
Liabilities				
Accounts payable and other credit balances	8	**2,855,366**	3,105,477	3,295,367
Provision for end of service indemnity		**116,968**	124,192	119,816
		2,972,334	3,229,669	3,415,183
Equity				
Share capital		**26,964,000**	26,964,000	26,964,000
Share premium		**5,904,559**	5,904,559	5,904,559
Statutory reserve		**833,543**	833,543	820,507
Voluntary reserve		**17,978**	17,978	17,978
Cumulative changes in fair value		**251,051**	121,814	(91,468)
Group's share in associates reserves		**696,012**	561,555	576,121
Gains on sale of treasury shares		**730,372**	730,372	730,372
Accumulated losses		**(581,554)**	(594,054)	(529,266)
Equity attributable to Shareholders of the "Parent Company"		**34,815,961**	34,539,767	34,392,803
Non-controlling interests		**5,947,845**	5,926,158	1,829,073
Total equity		**40,763,806**	40,465,925	36,221,876
Total liabilities and equity		**43,736,140**	43,695,594	39,637,059

Falah Fahd Al-Hagri
Vice Chairman

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

Al Salam Group Holding Company
K.S.C (Public)
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Interim condensed consolidated statement of profit or loss for the three months ended March 31, 2017
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Note	The three months ended March 31, 2017	2016
Revenues			
Gains/(Losses) of investments	9	**49,216**	(15,805)
Group's share in associate results		**(16,258)**	387,946
Net contracting revenues		**197,978**	182,017
General and administrative expenses		**(199,628)**	(166,170)
Net profit for the period		**31,308**	387,988
Attributable to:			
Shareholders of the "Parent Company"		**12,500**	366,451
Non-controlling interests		**18,808**	21,537
Net profit for the period		**31,308**	387,988
Earnings per share/(fils)	10	**0.046**	1.36

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

Al Salam Group Holding Company

K.S.C (Public)
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Kuwait

Interim condensed consolidated statement of profit or loss and other comprehensive income for the three months ended March 31, 2017
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	The three months ended March 31,	
	2017	2016
Net profit for the period	**31,308**	387,988
Other comprehensive income :		
Cumulative changes in fair value	**132,116**	(44,444)
Group's share in associates' reserves	**134,457**	(274,544)
Total other comprehensive income/(loss) for the period	**266,573**	(318,988)
Total comprehensive income for the period	**297,881**	69,000
Attributable to:		
Shareholders of the "Parent Company"	**276,194**	47,787
Non-controlling interests	**21,687**	21,213
Total comprehensive income for the period	**297,881**	69,000

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

Exhibit – D

Al Salam Group Holding Company
K.S.C (Public)
and its subsidiaries
Kuwait

Interim condensed consolidated statement of changes in equity for the three months ended March 31, 2017
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Equity attributable to Shareholders of the "Parent Company"										
	Share capital	**Share premium**	**Statutory reserve**	**Voluntary reserve**	**Cumulative changes in fair value**	**Group's share in associate reserves**	**Gains on sale of treasury shares**	**accumulated losses**	**Total equity attributable to shareholders of the "Parent Company"**	**Non controlling interests**	**Total**
Balance at January 1, 2016	26,964,000	5,904,559	820,507	17,978	(47,348)	850,665	730,372	(184,338)	35,056,395	1,807,860	36,864,255
Net profit for the period	-	-	-	-	-	-	-	366,451	366,451	21,537	387,988
Other comprehensive loss	-	-		-	(44,120)	(274,544)	-	-	(318,664)	(324)	(318,988)
Total comprehensive income for the period	-	-	-	-	(44,120)	(274,544)	-	366,451	47,787	21,213	69,000
Group's share in associate's equity changes	-	-	-	-	-	-	-	(711,379)	(711,379)	-	(711,379)
Balance at March 31, 2016	26,964,000	5,904,559	820,507	17,978	(91,468)	576,121	730,372	(529,266)	34,392,803	1,829,073	36,221,876
Balance at January 1, 2017	26,964,000	5,904,559	833,543	17,978	121,814	561,555	730,372	(594,054)	34,539,767	5,926,158	40,465,925
Net profit for the period	-	-	-	-	-	-	-	12,500	12,500	18,808	31,308
Other comprehensive income	-	-	-	-	129,237	134,457	-	-	263,694	2,879	266,573
Total comprehensive income for the period	-	-	-	-	129,237	134,457	-	12,500	276,194	21,687	297,881
Balance at March 31, 2017	**26,964,000**	**5,904,559**	**833,543**	**17,978**	**251,051**	**696,012**	**730,372**	**(581,554)**	**34,815,961**	**5,947,845**	**40,763,806**

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

Al Salam Group Holding Company
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Interim condensed consolidated statement of cash flows for the three months ended March 31, 2017
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	The three months ended March 31,	
	2017	2016
Cash flows from operating activities		
Net profit for the period	**31,308**	387,988
Adjustments		
Gains/(losses) of investments	**(49,216)**	15,805
Depreciation of property and equipments	**66,567**	105,790
Provision for end of service indemnity	**917**	5,006
Group's share in associate results	**16,258**	(387,946)
Adjusted profit before calculating the effect of change in working capital items	**65,834**	126,643
Investments at fair value - statement of profit or loss	**12,879**	9,558
Accounts receivable and other debit balances	**272,330**	(674,396)
Accounts payable and other credit balances	**(250,111)**	298,279
Finance and Musharka	**-**	300,000
Net cash generated from operating activities	**100,932**	60,084
End of service indemnity paid	**(8,141)**	(2,633)
Net cash generated from operating activities	**92,791**	57,451
Cash flows from investing activities		
Property and equipments	**(4,745)**	(2,500)
Net cash used in investing activities	**(4,745)**	(2,500)
Net increase in cash and cash equivalent	**88,046**	54,951
Cash and cash equivalent at beginning of the period	**67,720**	285,678
Cash and cash equivalent at end of the period	**155,766**	340,629

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

Al Salam Group Holding Company
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Notes to the interim condensed consolidated financial information for the three months ended March 31, 2017
(Unaudited)
"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Incorporation and activity

Al Salam Group Holding Company the "Parent Company" - K.S.C (Public) was incorporated on November 9, 1997.

The "Parent Company's" main activities are as follow:

- Owning shares in Kuwaiti or Foreign shareholding or limited liability companies, or participating in establishing these companies and managing and lending them and providing guarantees on their behalf to others.
- Lending the companies in which it owns shares and providing guarantees on behalf of those companies to others, providing that the holding Company's ownership percentage in the share capital of the borrowed Company must be at least 20%.
- Owning industrial equity of patents, industrial trademarks, industrial fees or any other rights related to that and renting them to other companies to utilize them inside Kuwait or abroad.
- Owning the necessary movables and properties to carry out its activity in accordance with the Law.

The "Parent Company" may have an interest in, or may participate in any form with the institutions that have a similar business or that will assist it to achieve its objectives inside or outside Kuwait. Also it may establish or participate in or acquire these institutions or join them.

The "Parent company" carries on all its activities in accordance with the rules of the Islamic Sharia forgiving.

The registered address of the "Parent Company" is: Qibla – Plot (5) – Building (11) owned by Mousa Abdullwahab Al Naqi - Kuwait.

The Board of Directors approved this interim condensed consolidated financial information for the three months ended March 31, 2017 for issue on May 11, 2017.

2- Significant Accounting Policies

2/1) Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, "***Interim Financial Reporting***". Accordingly, it does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2016.

During the period the Group has adopted all the standards that came into effect for annual periods beginning January 1, 2016. The adoption of these standards did not have any material impact on this interim condensed consolidated financial information.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. For further information, refer to the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2016.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Group.

Amendments to IFRSs which are effective for annual accounting period starting from January 1, 2016 did not have any material impact on the accounting policies, financial position or performance of the Group.

2/2) Critical Judgments and estimates

The preparation of interim condensed consolidated 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 this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2016.

3- Investment in subsidiaries

The interim condensed consolidated financial information includes the "Parent Company's" interim condensed consolidated financial information and its subsidiaries mentioned below:

	Shareholding percentage	Country of incorporation	Activity
Al Dosr International for General Trading and Contracting Company (W.L.L) and its subsidiaries	%99	Kuwait	General trading and contracting
Atlantic Group for General Trading and Contracting Company (W.L.L)	%99	Kuwait	General trading and contracting

The interim condensed financial information of the subsidiaries has been consolidated based on financial information prepared by the management as of March 31, 2017.

4- Investments at fair value - statement of profit or loss

	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016
Investments in local shares - quoted	**229,324**	192,987	145,166
Investments in local shares - unquoted	**7,257,929**	7,257,929	7,258,016
	7,487,253	7,450,916	7,403,182

The investments have been evaluated in accordance with valuation instruments mentioned in note (14).

5- Accounts receivable and other debit balances

	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016
Advance payments for purchasing investments *	**329,168**	329,168	2,031,067
Provision for doubtful debts	**(150,000)**	(150,000)	(150,000)
	179,168	179,168	1,881,067
Due from related parties (Note - 11)	**1,747,605**	1,924,711	1,639,690
Trade receivables	**1,685,310**	1,705,362	973,935
Banks guranttee	**1,198,077**	1,230,455	1,312,307
Free profit loan to the shareholders authority	**400,287**	403,095	331,058
Prepaid expenses	**476,415**	473,218	437,451
Staff receivables	**26,332**	72,015	19,451
Refundable depoists	**12,189**	9,689	9,689
	5,725,383	5,997,713	6,604,648

* This item represents the amount of KD 329,168 as advance payments for the purchase of investments, the ownership of such investments hasn't been transferred till the date of the interim condensed consolidated financial information, therefore, the management of the Group has formed a provision with an amount of KD 150,000 to cover the possibility non-collection in the near future.

6- Available for sale investments

	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016
Investments in local shares - quoted	**1,180,887**	1,048,771	823,400
Investments in local shares - unquoted	**6,417,357**	6,417,357	1,369,923
	7,598,244	7,466,128	2,193,323

7- Investments in associates

The details of these investments are as follow:

	Shareholding percentage %					
	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016
India Holding Company K.S.C (Holding)	**%33.98**	%33.98	%33.98	**8,429,326**	8,429,326	8,426,761
Gulf Petroleum Investment Co. K.S.C (Public)	**%16.53**	%16.53	%16.53	**8,005,013**	7,886,814	8,215,781
				16,434,339	16,316,140	16,642,542

- The Group's share in results of Gulf Petroleum Investment Co K.S.C (Public) has been recognized based on the audited consolidated financial statements as of December 31, 2016 and the Group share it's results loss with an amount of KD 16,258.
- The Group's share in results of India Holding K.S.C (Holding) has not been recognized as of March 31, 2017.

8- Accounts payable and other credit balances

	March 31, 2017	December 31, 2016 (Audited)	March 31, 2016
Due to related parties (Note -11)	**313,430**	310,941	266,048
Purchasing of property and equipments payables	**1,393,490**	1,574,664	1,997,480
Accrued expanses	**270,960**	247,113	183,562
Trade payables	**125,700**	220,491	112,389
Purchasing of investments payables	**204,822**	204,822	204,822
Provision for staff-leave	**32,528**	32,027	36,183
Tax deductions	**396,634**	396,634	369,124
Accrued dividends	**117,802**	117,802	118,784
Other	**-**	983	6,975
	2,855,366	3,105,477	3,295,367

9- Gains/(losses) of investments

	The three months ended March 31 ,	
	2017	2016
Net gains/(losses) on sale of investments	**12,825**	(3,565)
Change in fair value of investments at fair value - statement of profit or loss	**36,391**	(12,240)
	49,216	(15,805)

10- Earnings per share/(fils)

Earnings per share is calculated by dividing the net profit for the period by the weighted average number of outstanding shares during the period as follow:

	The three months ended the March 31,	
	2017	2016
Net profit for the period	**12,500**	366,451
Weighted average number of outstanding shares during the period	**269,640,000**	269,640,000
Earnings per share/(fils)	**0.046**	1.36

11- Related parties' transactions

Related parties comprise of associates, major shareholders, Board of Directors members, key management personnel of the Group and companies which they controlled or jointly controlled or significantly influence. The Group's management approved the pricing policies and terms of these transactions. The balances and amounts due from/to related parties are interest free and have no specific maturity date except for Finance and Musharka.

The balances and movement of transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated statement of financial position:	**March 31, 2017**	December 31, 2016 (Audited)	March 31, 2016
Due from related parties (Note - 5)	**1,747,605**	1,924,711	1,639,690
Due to related parties (Note - 8)	**313,430**	310,941	266,048

Interim condensed consolidated statement of profit or loss:

Interim condensed consolidated statements of profit or loss not include any transactions with related parties.

The transactions with related parties are subject to the approval of the Shareholders' General Assembly.

12- Segmental information

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Operating segments:
The Group's operating segments primarily operates concentrated on investing activity and general trading and contracting.

Geographical segments:
The Group operates in one main geographical market that is local market in State of Kuwait.

13- General Assembly and Proposed Dividends

The shareholder's General Assembly has not been held for approving the consolidated financial statements for the financial year ended December 31, 2016 until the date of preparing the Interim condensed consolidated financial information for the three months ended March 31, 2017.

14- Financial instruments

Categories of financial instruments
The Group's financial assets and liabilities have been classified in the interim condensed consolidated statement of financial position are as follows:

Financial assets	**March 31, 2017**	December 31, 2016 (Audited)	March 31, 2016
Cash and cash equivalents	**155,766**	67,720	340,629
Term Deposit	**135,000**	135,000	135,000
Investments at fair value - statement of profit or loss	**7,487,253**	7,450,916	7,403,182
Accounts receivable and other debit balances	**5,725,383**	5,997,713	6,604,648
Available for sale investments	**7,598,244**	7,466,128	2,193,323
	21,101,646	21,117,477	16,676,782

Financial assets	**March 31, 2017**	December 31, 2016 (Audited)	March 31, 2016
Accounts payable and other credit balances	**2,855,366**	3,105,477	3,295,367

Fair value of financial instruments

Fair value of financial instruments is defined as the amounts at which the asset could be exchanged or a liability settled in a current transaction between knowledgeable willing parties in an arm's length transaction other than in forced or liquidation sale. The Group used recognized assumptions and methods to estimate the fair value of the financial instruments. The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid market is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from identifiable current market transactions and dealer quotes for similar financial instruments.
- The fair values of financial instruments carried at amortized cost are not significantly different from their carrying values.

Fair value measurement recognized in the interim condensed consolidated statement of financial position

The Group adopted the amendments to IFRS 7 effective from January 1, 2011. These amendments require the Group to present certain information about financial instruments measured at fair value in the interim condensed consolidated statement of financial position.

The following table presents financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy group's financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

- 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 liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant inputs to the fair value measurement.

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"All amounts are in Kuwaiti Dinar unless stated otherwise"

The financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

March 31, 2017:	**Level 1**	**Level 3**	**Total**
Assets:			
Investments at fair value - statement of profit or loss			
Quoted securities	**229,324**	**-**	**229,324**
Unquoted securities	**-**	**7,257,929**	**7,257,929**
Available for sale investments			
Quoted securities	**1,180,887**	**-**	**1,180,887**
Unquoted securities	**-**	**6,417,357**	**6,417,357**
	1,410,211	**13,675,286**	**15,085,497**
Liabilities:	**-**	**-**	**-**
Net fair value	**1,410,211**	**13,675,286**	**15,085,497**

March 31, 2016:	Level 1	Level 3	Total
Assets:			
Investments at fair value - statement of profit or loss			
Quoted securities	145,166	-	145,166
Unquoted securities	-	7,258,016	7,258,016
Available for sale investments			
Quoted securities	823,400	-	823,400
Unquoted securities	-	1,369,923	1,369,923
	968,566	8,627,939	9,596,505
Liabilities:	-	-	-
Net fair value	968,566	8,627,939	9,596,505

The fair value of other financial assets and liabilities approximate its carrying amount as of the interim condensed consolidated financial information date.

The fair value of these other financial assets and liabilities has been determined according to the third level based on the management's estimations.