

ALDREES PETROLEUM AND TRANSPORT SERVICES COMPANY
(A Saudi Joint Stock Company)

INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2016
TOGETHER WITH AUDITORS' LIMITED REVIEW REPORT



Crowe Horwath

Al Azem & Al Sudairy
CPA's & Consultants
Member Crowe Horwath International

**Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)**

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Rasmy Gerguis
CFO



Hamad Mohammad Aldrees
Chairman



Eng. Abdulelah Saad Aldrees
CEO



**AUDITORS' REPORT ON THE REVIEW OF INTERIM
FINANCIAL STATEMENTS**

**SHAREHOLDERS OF
AL DREES PETROLEUM AND TRANSPORT SERVICES COMPANY
(A Saudi Joint Stock Company)**

Scope of Examination: We have examined the accompanying Interim balance sheet of **Aldrees Petroleum And Transport Services Company (A Saudi Joint Stock Company)** as of March 31, 2016 and the related interim statements of income for three months period ended March 31, 2016 and interim cash flows for the three months period then ended, and the notes from (1) to (14) which are an integral part of these interim financial statements. These financial statements are the responsibility of the Company's management and were submitted to us together with all the information and explanations which we requested.

Our examination was limited for the Interim financial statements and was conducted in accordance with the Saudi Organization for Certified Public Accountants standard on interim financial statements. The limited examination consists principally of analytical procedures applied to financial data and inquiries of the Company's personnel responsible for financial and accounting matters. It is substantially less in scope than an audit 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.

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



**AlAzem & AlSudairy
Certified Public Accountants**



**Salman B. AlSudairy
License No. 283**

10 Rjab 1437H (April 17, 2016)
Riyadh, Saudi Arabia



Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)

INTERIM BALANCE SHEET (UNAUDITED)

As at 31 March 2016

(All amounts in Saudi Riyals)

	Note	2016	2015
ASSETS			
CURRENT ASSETS			
Banks balances and cash		30,270,513	31,263,159
Trade accounts receivable, net		272,797,450	175,516,833
Accrued income		35,647,273	25,422,121
Prepaid expenses		210,934,992	156,756,743
Other assets		57,369,871	32,207,171
Inventories, net		37,960,959	23,383,688
Due from a related party	3	3,651,815	12,500,000
TOTAL CURRENT ASSETS		648,632,873	457,049,715
NON-CURRENT ASSETS			
Investments in joint ventures	3	500,000	19,540,063
Deferred cost		20,247,612	24,334,874
Property and equipment, Net		742,926,268	734,565,094
TOTAL NON-CURRENT ASSETS		763,673,880	778,440,031
TOTAL ASSETS		1,412,306,753	1,235,489,746
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade payable		244,037,014	151,920,361
Short term loans	4-a	240,000,000	119,048,624
Current portion of long term loans	4-b	62,993,675	75,649,341
Dividend payable	6	-	80,000,000
Accrued expenses and other liabilities		153,048,251	114,083,920
Provision for zakat	7	5,384,059	1,289,428
TOTAL CURRENT LIABILITIES		705,462,999	541,991,674
NON-CURRENT LIABILITIES			
Long term loans	4-b	67,048,481	109,397,032
Employees' end-of-service indemnities		49,954,040	43,148,166
TOTAL NON-CURRENT LIABILITIES		117,002,521	152,545,198
TOTAL LIABILITIES		822,465,520	694,536,872
SHAREHOLDERS' EQUITY			
Share capital	5	400,000,000	400,000,000
Statutory reserve		86,236,344	73,207,508
Retained earnings		103,604,889	67,745,366
TOTAL SHAREHOLDERS' EQUITY		589,841,233	540,952,874
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,412,306,753	1,235,489,746

The accompany from (1) to (14) are integrated part of these financial statements

Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)

INTERIM STATEMENT OF INCOME (UNAUDITED)

(All amounts in Saudi Riyals)

	Note	<i>For the three month period ended 31 March 2016</i>	<i>For the three month period ended 31 March 2015</i>
Revenue		843,725,889	563,949,947
Cost of revenue		(785,803,270)	(498,297,446)
GROSS PROFIT		57,922,619	65,652,501
EXPENSES			
Selling and marketing		(1,875,051)	(1,590,378)
General and administration		(24,335,645)	(24,667,258)
INCOME FROM OPERATIONS		31,711,923	39,394,865
Financial charges		(2,595,772)	(2,380,675)
Share in losses of a joint venture	3	-	(479,477)
Other income	8	330,596	6,808,369
INCOME BEFORE ZAKAT		29,446,747	43,343,082
Zakat		(1,200,000)	(1,350,000)
NET INCOME FOR THE PERIOD		28,246,747	41,993,082
Earnings per share from:			
Income from operations	9	<u>0.79</u>	<u>0.98</u>
Net income	9	<u>0.71</u>	<u>1.05</u>

The accompany from (1) to (14) are integrated part of these financial statements

**Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)**

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

(All amounts in Saudi Riyals)

	<i>For the three month period ended 31 March 2016</i>	<i>For the three month period ended 31 March 2015</i>
OPERATING ACTIVITIES		
Income before zakat	29,446,747	43,343,082
Adjustment for:		
Depreciation	16,481,329	14,807,478
Amortization of deferred costs	1,612,565	1,794,770
(Loss) Gain on sale of property and equipment	469,891	(6,415,799)
Share in losses of a joint venture	-	479,477
Provision for employees' end-of-service indemnities	1,836,209	3,818,803
	<u>49,846,741</u>	<u>57,827,811</u>
Changes in operating assets and liabilities:		
Trade accounts receivable, net	(64,353,049)	(25,982,859)
Accrued income	(16,279,960)	3,664,546
Prepaid expenses	(36,768,190)	(22,771,603)
Other assets	(9,585,346)	3,840,186
Inventories, net	(8,766,959)	1,728,843
Trade payables	90,436,434	6,065,323
Accrued expenses and other liabilities	16,665,448	(6,534,268)
	<u>21,195,119</u>	<u>17,837,979</u>
Cash from operations	21,195,119	17,837,979
Employees' end-of-service indemnities paid	(679,851)	(1,209,337)
Zakat paid	(33,755)	(2,941,180)
	<u>20,481,513</u>	<u>13,687,462</u>
Net cash from operating activities	20,481,513	13,687,462
INVESTING ACTIVITIES		
Investments in joint ventures	-	(500,000)
Deferred costs	(450,000)	(4,382,581)
Purchase of property and equipment	(23,951,241)	(14,969,117)
Proceeds from sale of property and equipment	456,371	14,828,618
	<u>(23,944,870)</u>	<u>(5,023,080)</u>
Net cash used in investing activities	(23,944,870)	(5,023,080)
FINANCING ACTIVITIES		
Proceeds from short term loans	474,000,000	358,000,000
Repayment of short term loans	(359,000,000)	(374,093,265)
Proceeds from long term loans	-	117,943,066
Repayment of long term loans	(18,166,314)	(112,812,500)
Dividends paid	(80,000,000)	-
Board of directors' remunerations	(1,400,000)	(1,400,000)
	<u>15,433,686</u>	<u>(12,362,699)</u>
Net cash increase (used in) financing activities	15,433,686	(12,362,699)
DECREASE IN BANK BALANCES AND CASH	11,970,329	(3,698,317)
Banks balances and cash, at 1 January	18,300,184	34,961,476
	<u>30,270,513</u>	<u>31,263,159</u>
BANKS BALANCES AND CASH, AT 31 MARCH	30,270,513	31,263,159
NON-CASH TRANSACTIONS:		
Dividend payable	-	80,000,000

The accompany from (1) to (14) are integrated part of these financial statements

Aldrees Petroleum and Transport Services Company (A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) For The Three Month Period Ended March 31, 2016

1 ORGANISATION AND ACTIVITIES

Aldrees Petroleum and Transport Services Company (the "Company") is a Saudi Joint Stock Company registered in Riyadh, the Kingdom of Saudi Arabia under commercial registration number 1010002475 and issued in Riyadh on 13 Rabi Al-Thani 1382H (corresponding to 12 September 1962).

The Company's objectives, as per its commercial registration, include retail and wholesale trading of fuel, lubricants, catering services and the transportation of goods using highways in the Kingdom of Saudi Arabia according to license number 010111012400, establishment of vehicle workshops and car washes and acquisition of land to construct buildings for sale or lease for the interest of the Company and construction, managing, operating and renting take away centres for hot and cold beverages and food.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying interim financial statements have been prepared in accordance with Standard on Interim Financial Reporting issued by the Saudi Organization for Certified Public Accountants ("SOCPA"). The significant accounting policies summarized below that were adopted in the preparation of the interim financial statements, are in conformity with those described in the annual audited financial statements for the year ended 31 December 2016. The interim financial statements and the accompanying notes should be read in conjunction with the annual audited financial statements and the related notes for the year ended 31 December 2016.

Accounting convention

These interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting.

Use of estimates

The preparation of interim financial statements in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia, 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Revenue recognition

Revenue from sales is recognised when goods are delivered and services are rendered to customers. Rental income is recognised on a straight line basis over the term of the lease.

Accounts receivable

Accounts receivable are stated at original invoice amount less appropriate allowance for any doubtful trade accounts receivable. An estimate for allowance for doubtful trade accounts receivable is made when collection of the full amount is doubtful. Bad debts are written off as incurred.

Prepaid expenses

Prepaid expenses represent amounts paid in advance for renting petrol stations, offices, employees housing and other services. Prepaid expenses are amortized, using the straight line method, over the period of the related contracts.

Accrued income

Accrued income comprise of revenue earned for services provided and goods delivered but not yet billed as at the interim balance sheet date.

Inventories

Inventories are stated at the lower of cost or estimated net realisable value. Cost is determined using the weighted average cost method. An appropriate provision is made for obsolete and slow moving inventories, if required.

Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
For The Three Month Period Ended March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investment in jointly controlled entity

A joint venture is contractual arrangements whereby the Company and other parties undertake an economic activity that is subject to joint control, i.e. the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint venture arrangements that involve the establishment of a separate entity in which each party has an interest are referred to as "jointly controlled entities". The Company applies the equity method of accounting for its interests in jointly controlled entities.

Under the equity method, the interest in a jointly controlled entity is carried in the interim balance sheet at cost as adjusted by post-incorporation changes in the Company's share of the net assets of the jointly controlled entity, less any impairment in the value of individual investment.

Deferred costs

Deferred costs represent key money paid for renting new petrol stations in the Kingdom of Saudi Arabia. Deferred costs are amortized, using the straight line method, over the period of the contracts.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. Lease hold improvements are amortized over the shorter of the estimated useful life or term of the lease. The rates of depreciation of the principal classes of assets are as follows:

	<u>Percentage</u>
Buildings	3%
Leasehold improvements	shorter of lease period or useful life
Machinery and equipment	10%
Furniture and fixtures	10%
Trucks	7.14% with 20% salvage value
Vehicles	15% - 25%
Computers	12.5% - 25%
Tools	12%-20%

Expenditure for repair and maintenance are charged to interim statement of income. Betterments that increase the value or materially extend the life of the related assets are capitalised.

Impairment

The Company periodically reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash generating unit which the asset belongs.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as expenses immediately in the interim statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior year. A reversal of an impairment loss is recognised as income immediately in the interim statement of income.

**Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)**

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
For The Three Month Period Ended March 31, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade payable and accrued expenses

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.

Unearned revenue

Unearned revenue represents advances received against prepaid petrol cards issued by the Company that have not been utilized by customers at the interim balance sheet date and unearned rental income received in advance.

Zakat

Zakat is provided on accrual basis in accordance with the Regulations of the Department of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. The zakat provision is charged to the interim statement of income. Any differences resulting from the final assessments are recorded in the year of their finalization.

Employees' end-of-service indemnities

Employees' end-of-service indemnities required by Saudi Arabia labour law are provided in the interim financial statements based on the employee's length of service.

Loans and borrowings

Loans and borrowings are recognised at the proceeds value received by the Company.

Statutory reserve

As required by Saudi Arabian Regulations for Companies, 10% of the income for the year should be 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.

Foreign currency transactions

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transaction. At interim balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at exchange rates prevailing on that date. Gains and losses arising on settlement and translation are recognised in the interim statement of income.

Operating leases

Lease of property and equipment under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the interim statement of income on a straight-line basis over the period of the lease.

Borrowing costs

Borrowing costs that are directly attributable to the construction of an asset are capitalised up to the stage when substantially all the activities necessary to prepare the qualifying asset for its intended use are completed and, thereafter, such costs are charged to the interim statement of income.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the marketing of the Company's products and services. All other expenses are classified as general and administrative expenses.

Cash and cash equivalents

Cash and cash equivalents consists of banks balances, cash on hand, and investments that are readily convertible into known amounts of cash and have a maturity of three months or less when purchased.



**Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)**

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
For The Three Month Period Ended March 31, 2016

2 SUMMARY OF 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.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the interim balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense is not offset in the interim statement of income unless required or permitted by generally accepted accounting principles in Kingdom of Saudi Arabia.

3 INVESTMENTS IN JOINT VENTURES

- A. On 28 August 2012, the Company signed a joint venture (JV) agreement with Emirates National Oil Company ("ENOC") through one of ENOC's wholly owned subsidiary for the purpose of establishing a Saudi limited liability company to engage in acquisition, leasing, construction, operation and maintenance of modern fuel stations on highways and in selected cities in the Kingdom of Saudi Arabia.

The jointly controlled entity namely United Fuel Company ("UNIFCO") was established and started its commercial operations at 16 April 2014.

During the year ended 31 December 2014. The Company provided UNIFCO with an amount of SR 12,500,000, as a finance to UNIFCO operation. In order to finance their operations, And during the third quarter of 2015 UNIFCO paid the full amount and cancelled the partnership agreement.

- B. On 21 Sha'aban 1434 (corresponding to 30 June 2013), the Company has signed a joint venture (JV) agreement with Bertschi AG, an entity incorporated in Switzerland, to establish a jointly controlled entity to provide logistic services. During the period ended 31 March 2016, the Company and co-venture have made a contribution of SR 500,000 each towards the establishment of the jointly controlled entity.

The apparent balance in the balance sheet for the period ended March 31, 2016 with an amount of SR 3,651,815 for Bertschi AG, the Swiss company.

The following is the movement in the investments account.

	UNIFCO	BertschiAG	Total
	2016	2016	2016
	SR	SR	SR
At the beginning of the period	-	500,000	500,000
Additions			
Share in losses of joint venture	-	-	-
At 31 March	-	500,000	500,000

Aldrees Petroleum and Transport Services Company
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
For The Three Month Period Ended March 31, 2016

	UNIFCO	BertschiAG	Total
	2015	2015	2015
	SR	SR	SR
At the beginning of the period	19,519,540	-	19,519,540
Additions	-	500,000	500,000
Share in losses of joint venture	(479,477)	-	(479,477)
At 31 March	<u>19,040,063</u>	<u>500,000</u>	<u>19,540,063</u>



Aldrees Petroleum and Transport Services Company
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
For The Three Month Period Ended March 31, 2016

4 LOANS

In the normal course of business, the Company has obtained Islamic long term and short term facilities from various local commercial banks amounting to SR 1,720 million (2015: SR 1,710 million). These facilities include advances in the current account, short term and long term Tawarruq loans, notes payable, letters of guarantee against the advance payments and contracts performance. The Company has unutilized facilities amounting to SR 667.1 million (2015: SR 962.8 million). The following is the details of outstanding balance as of 31 March:

- a) Short term loans outstanding amounted to SR 240,000,000 (2015: SR 119,048,624).
 b) Long term loans consist of the following:

Bank	Type of facilities	Facility amount in SR		Utilized amount in SR		Outstanding balance in SR		Purpose	Repayment frequency	Repayment	
		2016	2015	2016	2015	2016	2015			Starting date	Ending date
Al Rajhi	Long term murabaha loan	-	60,000,000	-	60,000,000	-	6,299,591	Acquisition of trucks and fuel stations	Quarterly	27 March 2012	19 September 2015
Riyad	Revolving long term tawarruq loan	90,000,000	90,000,000	73,532,000	73,532,000	6,384,882	16,676,290	Finance the operations	Monthly	31 March 2009	29 March 2017
Samba Financial Group	Revolving Long term tawarruq loan	100,000,000	100,000,000	45,352,500	45,352,500	22,665,624	32,262,344	Finance the working capital and acquisition of property and equipment	Quarterly	29 December 2013	17 June 2018
Gulf International Bank	Long term tawarruq loan	75,000,000	75,000,000	26,657,850	26,657,850	-	5,567,975	Finance the working capital and acquisition of property and equipment	Quarterly/ Monthly	17 September 2013	31 March 2016
Al Hilal Bank	Revolving long term tawarruq loan	125,000,000	125,000,000	125,000,000	125,000,000	99,491,650	116,740,173	Acquisition of trucks and fuel stations	Monthly	4 July 2012	26 March 2019
National Commercial Bank	long term tawarruq loan	38,544,000	38,544,000	18,000,000	18,000,000	1,500,000	7,500,000	Acquisition of trucks	Quarterly	28 May 2013	27 May 2016
		428,544,000	488,544,000	288,542,350	348,542,350	130,042,156	185,046,373				

The above facilities bear finance charges at SIBOR plus agreed margins and are secured by promissory notes issued by the Company. Certain of the above facilities are also secured by assignment of contracts proceeds. The loan agreements referred to above includes financial covenants relating to current ratio, liabilities to total equity ratio, net gearing ratio, debt service coverage ratio and total shareholders' equity.

**Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
For The Three Month Period Ended March 31, 2016**

5 SHARE CAPITAL

The Company's share capital at 31 March 2016 amounted to SR 400 million (2015: SR 400 million) consisting of 40 million (2015: 40 million) fully paid and issued share of SR 10 each.

6 DIVIDENDS AND BOARD OF DIRECTORS' REMUNERATIONS

The general assembly in its meeting on 22 Jumada Awal 1437H (corresponding to 2 March 2016) has approved to distribute cash dividends amounting to SR 80 million representing SR 2 per share representing 20% of the Company's share capital and to disburse remunerations for the Company's Board of Directors amounting to SR 1.4 million.

7 PROVISION FOR ZAKAT

Status of assessment

The Company has filed its zakat declaration for all years up to 31 December 2014. The assessments have been finalized with the Department of Zakat and Income Tax (the "DZIT") for all years up to 31 December 2007. The DZIT has raised an assessment amounting to SR 10.7 million for the years ended 31 December 2008, 2009 and 2010. The Company has contested against the assessment with the DZIT. The management believes that the final outcome of the assessment will be in the company favour, which comply with the zakat advisory opinion, and accordingly, the Company has not provided for any potential additional liability, which might arise from the assessment and also from potential assessment of open years in these financial statements. The assessments for the years ended 31 December 2011 to 2014 have not been raised by the DZIT, as yet.

8 OTHER INCOME

During the period ended 31 March 2015, the Company sold one of its petrol division stations for SR 14 Million resulting in a gain amounting to SR 6.3 Million.

9 EARNINGS PER SHARE

Earnings per share attributable to income from operations and net income was calculated by dividing income from operations and net income for the period by the weighted average number of outstanding shares of 40 million as of 31 March 2016.

10 COMMITMENTS AND CONTINGENCIES

- a) At 31 March 2016, the Company has outstanding contingent liabilities in the form of letters of guarantee amounting to SR 682.8 million (2015: SR 443.3 million).

In addition, the company has capital commitments as of 31 March 2016 amounting to SR 96.7 million (2015: SR 23.8 million).

- b) The expenses under operating leases for the period ended 31 March 2016 amounted to SR 53.6 million (2015: SR 51 million) and included in the cost of revenues.

The Company has commitment under the related operating lease as follows:

	2016 SR	2015 SR
Within one year	149,816,420	156,084,480
More than one year	1,131,710,318	1,028,161,678

Aldrees Petroleum and Transport Services Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED) - continued
 For The Three Month Period Ended March 31, 2016

11 SEGMENTAL INFORMATION

Since the Company carries out its activities entirely in the Kingdom of Saudi Arabia, reporting is provided by business segment only. The Company has determined its business segments on the basis of type of goods supplied and services rendered by the Company's business segments and reported to the Company's executive management for the purposes of resource allocation and assessment of segment performance.

Transactions between the business segments are based on an arm length basis. For executive management purposes, the Company is organized in the following business segments:

- Petroleum Service Segment
- Transport Services Segment

The selected segment information is provided by business segments as follows:

	<i>Petroleum service SR</i>	<i>Transport Services SR</i>	<i>Intercompany eliminations SR</i>	<i>Total SR</i>
<i>As of 31March 2016</i>				
Total assets	885,661,826	632,188,844	(105,543,917)	1,412,306,753
Total liabilities	586,468,964	341,540,473	(105,543,917)	822,465,520
Revenue	794,795,768	69,504,825	(20,574,704)	843,725,889
Gross profit	36,341,910	21,580,709	-	57,922,619
Depreciation and amortization	6,844,922	11,248,972	-	18,093,894
Income from operations	20,774,576	10,937,347	-	31,711,923
Net income	18,907,700	9,339,047	-	28,246,747
Deferred cost additions	450,000	-	-	450,000
Capital expenditure additions	20,213,006	3,738,235	-	23,951,241
<i>As of 31March 2015</i>				
Total assets	695,323,217	629,559,262	(89,392,733)	1,235,489,746
Total liabilities	428,742,076	355,187,529	(89,392,733)	694,536,872
Revenue	501,710,316	78,557,888	(16,318,257)	563,949,947
Gross profit	35,875,696	29,776,805	-	65,652,501
Depreciation and amortization	6,095,647	10,506,601	-	16,602,248
Income from operations	20,818,949	18,575,916	-	39,394,865
Net income	25,503,727	16,489,355	-	41,993,082
Deferred cost additions	4,382,581	-	-	4,382,581
Capital expenditure additions	6,968,924	8,000,193	-	14,969,117

12 INTERIM RESULTS

The results of operations for the interim periods may not be an accurate indication of the results of the full year operations.

13 COMPARATIVE FIGURES

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

14 APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board of Directors on 10 Rajab 1437H (17April 2016).