

**AL KOUT INDUSTRIAL PROJECTS COMPANY K.P.S.C.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT**

FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2016 (UNAUDITED)

AL KOUT INDUSTRIAL PROJECTS COMPANY K.P.S.C. AND ITS SUBSIDIARIES

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AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)**

For the period from 1 January to 30 June 2016

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Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Al Kout Industrial Projects Company K.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Kout Industrial Projects Company K.P.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2016, and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six month period then ended. The Parent Company's Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated 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 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.

Basis for qualified conclusion

Due to the unavailability of recent reviewed financial information of Al Dorra Petroleum Services Company K.S.C. (Closed), an associate accounted for by the equity method, we were unable to complete our review of its carrying amount of KD 8,824,066 presented in the interim condensed consolidated statement of financial position as at 30 June 2016, and the Group's share of the associate's net profit of KD 203,569 included in the Group's interim condensed consolidated statement of income for the period then ended. Had we been able to complete our review of the associate account, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

Qualified conclusion

Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, 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 IAS 34, 'Interim financial reporting'.



**AL - WAHA
AUDITING OFFICE
ALI OWAIID RUKHAEYES**

Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Al Kout Industrial Projects Company K.P.S.C. (Continued)

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, nothing has come to our attention indicating that the interim condensed consolidated financial information is not in agreement with the books of accounts of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies' Law No. 1 of 2016, provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, nor of the parent company's articles and memorandum of association during the six month period ended 30 June 2016 that might have had a material effect on the business of the group or on its financial position.

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**31 July 2016
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