

Inovest B.S.C.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

30 June 2013 (UNAUDITED)

Commercial registration number

48848 obtained on 18 June 2002

Board of Directors

Samir Yaqoob Al-Nafisi

- Chairman

Fareed Soud Al-Fozan

- Vice-Chairman

Ahmed Rashed Al-Qattan

- Managing Director

Abdul Rahman Yousif Fakhro

- Independent Director

Mohammed Ebrahim Al-Nughaimish

- Director

Jamal Abdul Rahman Al-Rowaiyeh

- Director

Bashar Naser Al-Tuwaijri

- Director

Dr. Mohammed Abdulla Fahad Al-Madi

- Director

Talal Khalid Al-Nesef

- Director

Board Secretary

- Riyadh Mahmood Mulla

Sharia'a Supervisory Board

Sheikh Dr. Mohamed Abdul Razzaq Al-Tabtabaei

- Chairman

Sheikh Dr. Anwar Shuaib Al-Abdulsalam

- Vice-Chairman

Sheikh Adnan Ali Al-Mulla

- Member

Executive Committee Members

Samir Yaqoob Al-Nafisi

- Chairman

Ahmed Rashed Al-Qattan

- Vice-Chairman

Talal Khalid Al-Nesef

Abdul Rahman Yousif Fakhro

Bashar Naser Al-Tuwaijri

Audit Committee Members

Fareed Soud Al-Fozan

- Chairman

Mohammed Ebrahim Al-Nughaimish

- Vice-Chairman

Dr. Mohammed Abdulla Fahad Al-Madi

Jamal Abdul Rahman Al-Rowaiyeh

Nomination & Remuneration Committee Members

Samir Yaqoob Al-Nafisi

- Chairman

Fareed Soud Al-Fozan

- Vice-Chairman

Ahmed Rashed Al-Qattan

Risk Committee Members

Mohammed Ebrahim Al-Nughaimish

- Chairman

Dr. Mohammed Abdulla Fahad Al-Madi

- Vice-Chairman

Fareed Soud Al-Fozan

Jamal Abdul Rahman Al-Rowaiyeh

Inovest B.S.C.

Administration and contact details as at 30 June 2013

Registered office

Bahrain Financial Harbour, East Tower,
PO Box 18334
Manama
Kingdom of Bahrain

Bankers

Bahrain Islamic Bank
Ithmaar Bank
Kuwait Finance House
Khaleeji Commercial Bank
Al Baraka Islamic Bank

Auditors

Ernst & Young
P.O. Box 140
14th Floor, The Tower
Bahrain Commercial Complex
Manama, Kingdom of Bahrain

Registrars

Fakhro Karvy Computershare W.L.L.
Al Zamil Tower, Manama Center
Manama
Kingdom of Bahrain

Kuwait Clearing Company S.A.K.
PO Box 22077
Safat 13081
State of Kuwait



شركة إينوفست ب.س.ك.
INOVEST B.S.C. (Public Shareholding Company)
P.O. Box 40000, Al Khobar, Kingdom of Saudi Arabia
T: +966 11 400 0000 F: +966 11 400 0001 E: info@inovest.com

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Sharia Supervisory Board Report on the Activities of Inovest BSC For the Financial Period Ending on 30 June 2013

In the name of Allah, the Beneficent, the Merciful, Prayers and Peace Upon the Last Apostle and Messenger, Our Prophet Mohammed, His Relatives and Companions.

The Shari'a Supervisory Board "The Board" of INOVEST B.S.C. has reviewed the Company activities and compared them with the issued Fatwas and Rulings during the Financial Period Ending on 30 June 2013 and found them compatible with them.

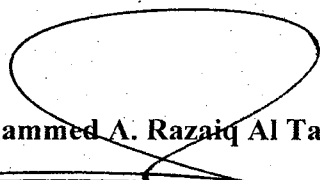
The Board believes that he has expressed its opinion in respect of the activities carried out by INOVEST and it is the responsibility of the management to ensure the implementation of such decisions.

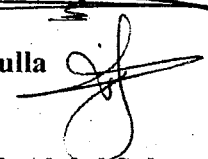
A representative of the company's management explained and clarified the contents of the Financial Period Ending on 30 June 2013. The report of the Board has been prepared based on the information provided by the company.

The Board is satisfied that the activities and services carried by INOVEST are in compliance with the Glorious Islamic Sharia'a.

Praise be to Allah, Lord of the Worlds. Prayers be upon Prophet Mohammed Peace Be Upon Him, Relatives and Companions.

On behalf of the Committee,


Shaikh Dr. Mohammed A. Razaiq Al Tabtabaee
Chairman


Shaikh Adnan Ali Mulla
Vice Chairman

Shaikh Anwar Shuaib Abdul Salam
Member

REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE DIRECTORS OF INOVEST B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Inovert B.S.C. (c) (the "Company") and its subsidiaries (together the "Group") comprising the interim consolidated statement of financial position as at 30 June 2013, and the related interim consolidated statements of income, changes in owners' equity and cash flows for the six-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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. Consequently, it 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 statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.

Emphasis of matter

Without qualifying our review conclusion, we draw attention to note 14 to the interim condensed consolidated financial statements which discusses the uncertainty related to the outcome of a legal case between the Group and an investor in a project managed by the Group.

**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS TO THE DIRECTORS OF INOVEST B.S.C. (continued)**

Other matters

The consolidated financial statements of the Group for the year ended 31 December 2012 were audited by another auditor who expressed an unmodified audit opinion dated 6 February 2013 on those consolidated financial statements. In addition, the interim condensed consolidated financial statements of the Group for the period ended 30 June 2012 were reviewed by another auditor who expressed an unmodified review conclusion dated 8 August 2012 on those interim condensed consolidated financial statements.

Ernst & Young

31 July 2013

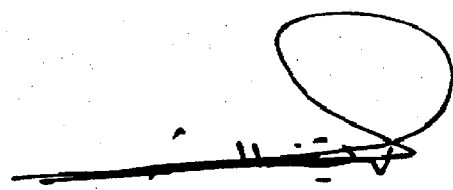
Manama, Kingdom of Bahrain

Inovest B.S.C.

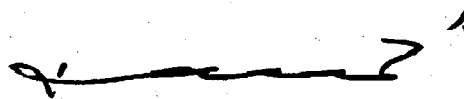
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013 (Unaudited)

		Unaudited	Audited
		30 June	31 December
		2013	2012
	Note	US\$ '000	US\$ '000
ASSETS			
Cash and cash equivalents		6,277	6,109
Mudaraba and Murabaha investments		3,181	3,760
Trade and other receivables	4	86,047	67,946
Available-for-sale investments	5	29,111	26,611
Investment in joint venture and associates	6	90,495	90,811
Investment in real estate	7	90,879	89,598
Property, plant and equipment	8	7,414	7,706
TOTAL ASSETS		293,404	292,541
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Trade and other payables	9	82,830	82,052
Ijara and Murabaha financing	10	39,268	39,268
TOTAL LIABILITIES		122,098	121,320
OWNERS' EQUITY			
Share capital	11	114,604	114,604
Less: Treasury shares		(651)	(651)
		113,953	113,953
Share premium		30,760	30,760
Statutory reserve		21,473	21,473
Share option reserve		31	28
Retained earnings		5,089	5,007
TOTAL OWNERS' EQUITY		171,306	171,221
TOTAL LIABILITIES AND OWNERS' EQUITY		293,404	292,541



Samir Yaqoob Al-Nafisi
Chairman



Ahmed Rashed Al-Qattan
Managing Director

The attached explanatory notes 1 to 18 form part of these interim condensed consolidated financial statements.

Inovest B.S.C.
INTERIM CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2013 (Unaudited)

	Note	Unaudited Three month period ended		Unaudited Six month period ended	
		30 June 2013	30 June 2012	30 June 2013	30 June 2012
		US\$ '000	US\$ '000	US\$ '000	US\$ '000
Income					
(Loss) / Income from investment in real estate	12	(1,628)	1,392	(1,163)	1,660
Income from investments		363	381	505	476
Income from advisory services		476	332	5,077	1,552
Net income from construction contracts		773	659	183	1,609
Share of (loss) / profit from investment in joint venture and associates	6	(142)	80	(316)	2,489
Other income	13	1,128	124	1,347	257
Total operating income		970	2,968	5,633	8,043
Operating expenses					
Staff costs		(1,250)	(1,224)	(2,522)	(2,719)
General and administrative expenses		(831)	(1,087)	(1,320)	(2,152)
Ijara and Murabaha financing costs		(822)	(1,129)	(1,659)	(2,224)
Property related expenses		(124)	(44)	(187)	(63)
Depreciation	8	(189)	(231)	(378)	(473)
Recoveries - net	14	2,305	-	515	-
Total operating expenses		(911)	(3,715)	(5,551)	(7,631)
Net income / (loss) for the period		59	(747)	82	412
Basic and diluted earnings per share (cents)		0.02	(0.26)	0.03	0.14


Samir Yaqoob Al-Nafisi
 Chairman


Ahmed Rashed Al-Qattan
 Managing Director

The attached explanatory notes 1 to 18 form part of these interim condensed consolidated financial statements.

Inovest B.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2013 (Unaudited)

	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Share option reserve US\$ '000	Retained earnings US\$ '000	Total equity US\$ '000
At 1 January 2013	114,604	(651)	30,760	21,473	28	5,007	171,221
Net profit for the period	-	-	-	-	-	82	82
Stock option charge (net)	-	-	-	-	3	-	3
At 30 June 2013	114,604	(651)	30,760	21,473	31	5,089	171,306
At 1 January 2012	114,604	(651)	30,760	21,473	474	14,031	180,691
Net income for the period	-	-	-	-	-	412	412
Stock option charge (net)	-	-	-	-	(421)	-	(421)
At 30 June 2012	114,604	(651)	30,760	21,473	53	14,443	180,682

INTERM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013 (Unaudited)

		Unaudited	
		Six month period ended	
		30 June	30 June
		2013	2012
Note		US\$ '000	US\$ '000
OPERATING ACTIVITIES			
		82	412
</			

The attached explanatory notes 1 to 18 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

1 INCORPORATION AND ACTIVITIES

a) Incorporation

Inovest BSC (the "Company") is a public shareholding company registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 48848 obtained on 18 June 2002. The Company commenced commercial operations on 1 October 2002. Under the terms of its Memorandum and Articles of Association, the duration of the Company is for 50 years, renewable for further similar periods unless terminated earlier by the operation of law or as provided in the Memorandum and Articles of Association. The registered office of the Company is Bahrain Financial Harbour, East Tower, 20th floor, Manama, Kingdom of Bahrain.

The Company is listed on the Bahrain Bourse and cross-listed on the Kuwait Stock Exchange.

The Company has been issued an Investment Business Firm License – Category 1 (Islamic Principles) by the Central Bank of Bahrain (CBB), to operate under the Islamic Sharia'a principles, and is supervised and regulated by the CBB.

b) Activities

The principal activities of the Company together with its subsidiaries (the "Group") include:

- Engaging directly in all types of investments, including direct investment and securities, and various types of investment funds.
- Establishing and managing various investment funds.
- Dealing in financial instruments in the local, regional and international markets.
- Providing information and studies related to different types of investments for others.
- Providing financial services and investment consultations to others.
- Establishing joint ventures with real estate, industrial and services companies inside or outside the Kingdom of Bahrain and committing to operate under the Islamic Sharia'a principles.
- Engaging in contracting activities.
- Engaging in the management of commercial and industrial centers and residential buildings, property leasing, development and their maintenance.
- Having interest or participating in any way with companies and other entities engaged in similar activities that may work and co-operate to achieve the Company's objectives inside and outside the Kingdom of Bahrain, and also merge its activities with the above mentioned entities and/or buy or join with them.

The number of staff employed by the Group as at 30 June 2013 was 556 (31 December 2012: 552).

The interim condensed consolidated financial statements were approved on 31 July 2013.

2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Group for the six month period ended 30 June 2013 have been prepared in accordance with the guidance given by International Accounting Standard 34 - "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012. These interim condensed consolidated financial statements are presented in US dollars, which is the functional currency of the Group. All values are rounded to US dollar thousands unless otherwise indicated.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

2 ACCOUNTING POLICIES (continued)

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All intercompany balances and transactions are eliminated in full on consolidation.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2012, which were prepared in accordance with the Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial ("AAOIFI"), the Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Company, the Bahrain Commercial Companies Law, Central Bank of Bahrain ("CBB") and the Financial Institutions Law and the CBB Rule Book (Volume 2 and applicable provisions of Volume 6) and CBB directives. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standards exist, including interim financial reporting, the Group uses the relevant International Financial Reporting Standards ("IFRS").

The following FAS has been adopted since the date of the last audited consolidated financial statements at 31 December 2012.

Financial Accounting Standard (FAS 26) "Investment in Real Estate"

The Group has adopted FAS 26 issued by AAOIFI which is mandatorily applicable effective 1 January 2013. FAS 26 prescribes rules in respect of the recognition, measurement, presentation and disclosure of investment in real estate that is acquired for the purpose of earning periodical income or held for future capital appreciation or both.

The adoption of FAS 26 did not have any material effect on the classification and measurement of the Group's direct investment in real estate.

3 CYCLICALITY OF OPERATIONS

The interim consolidated net income for the six months ended 30 June 2013 may not represent a proportionate share of the annual net profit or loss due to the variability of income and operating expenses.

4 TRADE AND OTHER RECEIVABLES

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Trade receivables	28,996	32,418
Amounts due from related parties (Note 15)	36,369	35,033
Prepayments and other receivables	3,064	4,761
Rents receivable	396	399
Advances to contractors and suppliers	633	737
	<u>69,458</u>	<u>73,348</u>
Less: provision for impaired receivables	(3,411)	(5,402)
	<u>66,047</u>	<u>67,946</u>

Amounts due from related parties are unsecured, bear no profit and have no fixed repayment terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

5 AVAILABLE-FOR-SALE INVESTMENTS

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance (before impairment provision)	32,369	32,329
Purchases during the period/year	2,500	40
	34,869	32,369
Less: provision for impairment	(5,758)	(5,758)
Closing balance	29,111	26,611

6 INVESTMENT IN JOINT VENTURE AND ASSOCIATES

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance	90,811	90,999
Dividends received during the period/year	-	(319)
Disposals during the period/year	-	(752)
Share of (losses)/profits	(316)	883
Closing balance	90,495	90,811

7 INVESTMENT IN REAL ESTATE

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Opening balance	89,598	97,716
Transferred to property, plant and equipment	-	(1,939)
Purchases during the period/year	4,705	947
Disposals during the period/year	(3,424)	(5,441)
Unrealised fair value losses on investment in real estate	-	(1,685)
Closing balance	90,879	89,598

Investment in real estate is stated at fair value determined based on valuations performed by independent property valuers. This includes investment in real estate currently under development amounting to US\$ 4.6 million (2012: NIL) which is carried at cost.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

8 PROPERTY, PLANT AND EQUIPMENT

	<i>Buildings on leasehold US\$ '000</i>	<i>Machinery, equipment and fixtures US\$ '000</i>	<i>Computer hardware and software US\$ '000</i>	<i>Motor vehicles US\$ '000</i>	<i>Capital work-in- progress US\$ '000</i>	<i>Total US\$ '000</i>
Cost						
At 1 January 2013	4,284	4,586	1,267	1,138	2,071	13,346
Additions	-	36	10	156	-	202
At 30 June 2013	4,284	4,622	1,277	1,294	2,071	13,548
Accumulated depreciation						
At 1 January 2013	384	3,306	1,145	805	-	5,640
Charge for the period	86	303	28	77	-	494
At 30 June 2013	470	3,609	1,173	882	-	6,134
Net book amount						
At 30 June 2013	3,814	1,013	104	412	2,071	7,414
At 31 December 2012	3,900	1,280	122	333	2,071	7,706

Depreciation on property, plant and equipment charged to the interim consolidated statement of income is as follows:

	<i>Unaudited Six month period ended</i>	
	<i>30 June 2013 US\$ '000</i>	<i>30 June 2012 US\$ '000</i>
Depreciation charged to expenses	378	473
Depreciation charged to contract costs	116	133
	494	606

9 TRADE AND OTHER PAYABLES

	<i>Unaudited 30 June 2013 US\$ '000</i>	<i>Audited 31 December 2012 US\$ '000</i>
Lease rent payables	50,105	50,105
Accruals and other payables	23,288	18,694
Amounts due to related parties (Note 15)	5,030	5,748
Trade payables	3,229	6,455
Retentions payable	1,177	1,049
Advances received	1	1
	82,830	82,052

Trade payables are generally payable within 60 to 90 days of the suppliers' invoice date.

Lease rent payables represent amounts payable to the Ministry of Industry and Commerce by one of the subsidiaries of the Group. This amount is non-current in nature.

Amounts due to related parties are unsecured, bear no profit and have no fixed repayment terms.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

10 IJARA AND MURABAHA FINANCING

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Ijara payable	2,947	2,947
Murabaha payable	36,321	36,321
Total Ijara and Murabaha financing	<u>39,268</u>	<u>39,268</u>

The Group has obtained Ijara and Murabaha financing to fund the acquisition of investments, purchase of properties and to meet working capital requirements. These liabilities bear market rates of profit and are repayable in accordance with the repayment terms agreed with the respective bankers.

The above financial facilities are secured against the following assets:

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Trade receivables (Note 4)	15,125	15,125
Available-for-sale investments (Note 5)	5,305	5,305
Investment in joint venture and associates (Note 6)	-	10,557
Investment in real estate (Note 7)	44,475	57,287
	<u>64,905</u>	<u>88,274</u>

11 SHARE CAPITAL

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Authorised		
375,000,000 (31 December 2012: 375,000,000) ordinary shares of US\$0.40 each	<u>150,000</u>	<u>150,000</u>
Issued and fully paid-up		
Opening balance		
286,511,225 (31 December 2012: 286,511,225) ordinary shares of US\$0.40 each	114,604	114,604
Treasury shares		
Less: 1,627,825 (31 December 2012: 1,627,825) treasury shares of US\$0.40 each	(651)	(651)
Closing balance		
284,883,400 (31 December 2012: 284,883,400) ordinary shares of US\$ 0.40 each	<u>113,953</u>	<u>113,953</u>

Treasury shares represent shares issued to Tameer for Private Management WLL, a subsidiary of the Company, for the employees' stock option plan.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

12 INCOME FROM INVESTMENT IN REAL ESTATE

	<i>Unaudited Six month period ended 30 June 2013 US\$ '000</i>	<i>Unaudited Six month period ended 30 June 2012 US\$ '000</i>
Realised gains on sale of investment in real estate	258	1,500
Property related facilities income	174	-
Rental income	225	160
Reversal of sales - net	(1,820)	-
	<u>(1,163)</u>	<u>1,660</u>

13 OTHER INCOME

	<i>Unaudited Six month period ended 30 June 2013 US\$ '000</i>	<i>Unaudited Six month period ended 30 June 2012 US\$ '000</i>
Provision for brokerage fees reversed (Note 13.1)	1,114	-
Others	233	257
	<u>1,347</u>	<u>257</u>

- 13.1 This represents reversal of the excess accrual with respect to brokerage fees required to be paid for the sale of the remaining lands in accordance with an assessment made by the management during the period.

14 RECOVERIES - NET

	<i>Unaudited Six month period ended 30 June 2013 US\$ '000</i>	<i>Unaudited Six month period ended 30 June 2012 US\$ '000</i>
Provision for case compensation (Note 17)	(1,475)	-
Recoveries (Note 14.1)	1,990	-
	<u>515</u>	<u>-</u>

- 14.1 This represent recoveries on settlement of receivable from investors by reacquiring assets.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

15 RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Group exercises significant influence, major shareholders, directors and executive management of the Group. The Group's transactions with related parties are authorised by the management.

The following are the transactions entered into with the related parties during the six months ended 30 June:

Unaudited					Unaudited 30 June 2012 US\$ '000
Six month period ended 30 June 2013					
Associates / Jvs US\$ '000	Key management personnel US\$ '000	Other related parties US\$ '000	Total US\$ '000		
Income					
Income from advisory services	186	7	4,359	4,552	1,566
Income from construction contracts	(25)	13	757	745	1,276
Other income	133	-	-	133	131
Share of (losses)/profits from investment in joint venture and associates	(316)	-	-	(316)	2,489
Expenses					
General and administrative expenses	15	-	117	132	93

A summary of the amounts due from / to related parties as at 30 June 2013 and 31 December 2012 is as follows:

	Unaudited 30 June 2013				Audited 31 December 2012
	Associates / Jvs US\$ '000	Key management personnel US\$ '000	Other related parties US\$ '000	Total US\$ '000	US\$ '000
Available-for-sale investments	-	-	6,794	6,794	6,794
Investment in joint venture and associates	90,495	-	-	90,495	90,811
Trade and other receivables	25,745	282	10,342	36,369	35,033
Murabaha receivables	-	-	-	-	4
Trade and other payables	841	7	4,182	5,030	5,748

16 SEGMENTAL INFORMATION

Operating segments

The Group's operating segments are:

- Investment and related services - This division is involved in investment and other related services. This division contributes 62% of the Group's revenue, net of eliminations.
- Construction contracts - This division is involved in undertaking construction contracts and contributes 6% of the Group's revenue, net of eliminations.
- Development and sale of industrial plots - This division is involved in sale and development of industrial plots and contributes 26% of the Group's revenue, net of eliminations.
- Property and facility management services - This division is involved in facility management of the properties. The division is the smallest of the Group's four divisions and contributes 6% of the Group's revenue, net of eliminations.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

16 SEGMENTAL INFORMATION (continued)

As at and for the six month period ended 30 June 2013 (Unaudited)

	<i>Investments and related services</i>	<i>Construction contracts</i>	<i>Development and sale of industrial plots</i>	<i>Property and facility management services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net revenues from						
external customers	4,723	183	(1,287)	477	-	4,096
Inter-segment transactions	-	266	14	46	(326)	-
Income from investments	319	186	-	-	-	505
Share of (losses)/profits from investment in joint venture and associates (Note 6)	(437)	-	121	-	-	(316)
Other income	128	64	1,156	-	-	1,348
Total revenue	4,733	699	4	523	(326)	5,633
Segment profit	(1,394)	55	1,635	52	(266)	82
Reportable segment assets	275,003	30,995	64,413	2,735	(79,742)	293,404
Reportable segment liabilities	61,153	8,549	61,544	1,552	(10,700)	122,098

For the six month period ended, 30 June 2012 (Unaudited)

	<i>Investments and related services</i>	<i>Construction contracts</i>	<i>Development and sale of industrial plots</i>	<i>Property and facility management services</i>	<i>Eliminations</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net revenues from						
external customers	1,169	1,609	1,691	352	-	4,821
Inter-segment transactions	-	-	-	74	(74)	-
Income from investments	356	113	7	-	-	476
Share of profits/(losses) from investment in joint venture/associates (Note 6)	2,513	-	(24)	-	-	2,489
Other income	146	9	32	70	-	257
Total revenue	4,184	1,731	1,706	496	(74)	8,043
Segment profit	(1,773)	822	1,259	104	-	412

As at 31 December 2012 (Audited)

Reportable segment assets	273,640	31,843	63,266	2,107	(78,315)	292,541
Reportable segment liabilities	59,126	8,604	62,032	976	(9,418)	121,320

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 June 2013 (Unaudited)

17 CONTINGENT LIABILITIES AND COMMITMENTS

The Group's contingent liabilities and capital commitments are as follows:

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Contingent liabilities	31,886	5,886
Operating lease commitment	3,583	3,818
	35,469	9,704

Contingent liabilities

Contingent liabilities arise in the ordinary course of business and include acceptances and guarantees provided on behalf of related parties.

An investor who invested a net amount of US\$ 14.88 million in a project managed by the Group has filed a lawsuit against the Group claiming an amount of either US\$ 18.98 million or US\$ 23.7 million which includes the invested amount, compensation and lawyer fees. The Court has issued an order for the Group to pay the investor an amount of US\$ 17.39 million covering the invested amount along with the compensation and other fees on a number of installments over a year.

The Group has filed an appeal with the Cessation Court against the issued verdict and is awaiting the outcome of the appeal. Accordingly, the Group has already booked a provision for US\$ 1.47 million in its consolidated financial statements and the remaining amount of US\$ 16 million is shown as a contingent liability until the installments are paid to the investor and the appeal verdict is issued. The payments to be made to the investor will be treated as an investment acquisition in the concerned Project Company.

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	<i>Unaudited</i> 30 June 2013 US\$ '000	<i>Audited</i> 31 December 2012 US\$ '000
Not later than 1 year	864	961
Later than 1 year but not later than 5 years	2,719	2,857
	3,583	3,818

18 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments includes trade and other receivables, mudaraba and murabaha investments, cash and cash equivalents, and certain liabilities of the Group. The carrying amount of financial instruments of the Group as of 30 June 2013 is not materially different from their fair value.

Financial instruments also include available-for-sale investments comprising of equity investments in unlisted companies which are not traded on active markets, and the fair value of which cannot be measured reliably, and are therefore stated at cost less impairment, if any. These investments are primarily in closely-held companies located in the Gulf Co-operation Council countries and the United States of America. In the opinion of the Group's management, the fair value of these investments is not significantly different from the carrying value as at 30 June 2013.