

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE PERIOD FROM APRIL 1, 2014 TO
MARCH 31, 2015

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)
FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015

INDEX	PAGE
Auditors' report	1 - 2
Balance sheet	3
Statement of operations	4
Statement of shareholders' equity	5
Statement of cash flows	6
Notes to the financial statements	7 - 18

AUDITORS' REPORT

To the shareholders
Maytas Infra Saudi Arabia Company
Jeddah, Saudi Arabia

Scope of Audit

We have audited the balance sheet of MAYTAS INFRA SAUDI ARABIA COMPANY (a Saudi limited liability company) (the "Company") as of March 31, 2015, and the related statements of operations, shareholders' equity and cash flows for the period from April 1, 2014 to March 31, 2015, and notes 1 to 16 which form an integral part of these financial statements as prepared by the Company and presented to us with all the necessary information and explanations. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Basis of qualification

The comparative information presented in the accompanying financial statements is for the period from October 1, 2012 to March 31, 2014, which is not comparable to the current period from April 1, 2014 to March 31, 2015 in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia.

Qualified Opinion

In our opinion, except for the matter described above, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2015, and the results of its operations and its cash flows for the period from April 1, 2014 to March 31, 2015, in conformity with accounting standards generally accepted in the Kingdom of Saudi Arabia appropriate to the nature of the Company.

AUDITORS' REPORT (CONTINUED)

To the shareholders
Maytas Infra Saudi Arabia Company
Jeddah, Saudi Arabia

Emphasis of Matter

Without further qualifying our opinion, we draw attention to the fact that the accompanying financial statements have been prepared as required by the management of the Company and do not represent the statutory financial statements of the Company. This report is intended solely for the information and use of the shareholders and management of the Company and should not be distributed to or used by other parties.

Deloitte & Touche
Bakr Abulkhair & Co.



Kholoud A. Mousa Altambakti
Certified Public Accountant
License No. 421

23 Rajab, 1436
May 12, 2015

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

BALANCE SHEET
AS OF MARCH 31, 2015
(Expressed in Saudi Riyals)

	Note	March 31, 2015	March 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents	3	1,256,987	1,023,837
Due from a related party	4a	40,848,748	56,831,754
Retention receivable	4a	59,149,189	42,664,065
Unbilled revenue	4a, 8	71,785,657	88,735,825
Advances to suppliers and sub-contractors	4b	7,963,039	13,479,814
Prepayments and other receivables		6,394,872	8,882,976
Total current assets		187,398,492	211,618,271
Non-current assets			
Property and equipment	5	10,707,994	16,737,374
Investment	6	-	-
Total non-current assets		10,707,994	16,737,374
TOTAL ASSETS		198,106,486	228,355,645
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Due to a bank	7	28,880,415	36,638,796
Accounts payable to suppliers and sub-contractors		43,248,312	36,065,146
Due to related parties	4c	17,169,875	18,367,929
Retention payable	4d	6,782,078	3,192,027
Advances from customer	4a	37,569,766	39,831,287
Accrued liabilities and other payables	4e	35,429,041	49,205,118
Provision for zakat and income tax	9	185,582	1,340,673
Total current liabilities		169,265,069	184,640,976
Non-current liabilities			
End-of-service indemnities	10	4,636,185	3,103,411
Total non-current liabilities		4,636,185	3,103,411
Shareholders' equity			
Share capital	1	50,000,000	50,000,000
Accumulated losses		(25,794,768)	(9,388,742)
Total shareholders' equity		24,205,232	40,611,258
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		198,106,486	228,355,645

The accompanying notes form an integral part of these financial statements

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF OPERATIONS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
 (Expressed in Saudi Riyals)

	Note	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
Contract revenues	4, 13	252,088,082	427,111,342
Contract costs	4	(255,705,337)	(401,209,915)
Gross (loss)/profit		(3,617,255)	25,901,427
General and administrative expenses	11	(13,311,921)	(17,467,300)
Operating (loss)/income		(16,929,176)	8,434,127
Finance charges		(91,290)	(11,964)
Share of loss from investment	6	(175,072)	-
Other income - net	4	1,128,740	-
NET (LOSS)/INCOME		(16,066,798)	8,422,163

The accompanying notes form an integral part of these financial statements

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

	Note	IL&FS Engineering and Construction Company Limited	Construction Products Company for Services	2015	2014
Share capital:	1	27,500,000	22,500,000	50,000,000	50,000,000
Accumulated losses:					
April 1, 2014/October 1, 2012		(5,304,075)	(4,084,667)	(9,388,742)	(15,946,357)
Net (loss)/profit for the period		(8,836,739)	(7,230,059)	(16,066,798)	8,422,163
Zakat and income tax	9	(131,419)	(207,809)	(339,228)	(1,864,548)
March 31, 2015/March 31, 2014		(14,272,233)	(11,522,535)	(25,794,768)	(9,388,742)
Total, March 31, 2015/ March 31, 2014		13,227,767	10,977,465	24,205,232	40,611,258

The accompanying notes form an integral part of these financial statements

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
OPERATING ACTIVITIES		
Net (loss)/profit	(16,066,798)	8,422,163
Adjustments for:		
Depreciation	12,428,520	18,474,751
End-of-service indemnities	2,018,873	2,646,148
Loss on disposal of property and equipment	-	49,168
Share of loss from investment	175,072	-
Finance charges	3,144,831	1,613,686
Changes in operating assets and liabilities:		
Due from a related party	11,983,006	(41,389,626)
Retention receivable	(16,485,124)	(37,431,865)
Unbilled revenue	16,950,168	(47,979,744)
Advances to suppliers and sub-contractors	5,516,775	(7,874,899)
Prepayments and other receivables	(1,855,501)	(6,845,342)
Accounts payable to suppliers	7,183,166	31,047,417
Due to related parties	2,801,946	16,013,316
Retention payable	3,590,051	3,192,027
Advances from customer	(2,261,521)	(10,086,911)
Accrued liabilities and other payables	(9,507,094)	12,187,252
Cash from/(used in) operations	19,616,370	(57,962,459)
End-of-service indemnities paid	(486,099)	(484,822)
Finance charges paid	(3,144,831)	(1,613,686)
Net cash from/(used in) operating activities	15,985,440	(60,060,967)
INVESTING ACTIVITIES		
Purchase of property and equipment	(6,399,140)	(21,539,171)
Net cash used in investing activities	(6,399,140)	(21,539,171)
FINANCING ACTIVITIES		
Due to a bank	(7,758,381)	36,638,796
Zakat and income tax paid	(1,494,319)	(523,875)
Investment made in a subsidiary	(100,450)	-
Net cash (used in)/from financing activities	(9,353,150)	36,114,921
Net change in cash and cash equivalents	233,150	(45,485,217)
Cash and cash equivalents, April 1, 2014/October 1, 2012	1,023,837	46,509,054
CASH AND CASH EQUIVALENTS, MARCH 31	1,256,987	1,023,837
Non-cash transactions:		
Zakat and income charged to accumulated losses	339,228	1,864,548
Related party receivable balance netted-off against payable	4,000,000	-
Share of loss from investment adjusted with prepayments and other receivables	74,622	-

The accompanying notes form an integral part of these financial statements

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

1. ORGANIZATION AND ACTIVITIES

Maytas Infra Saudi Arabia Company Limited (the "Company") is a Saudi limited liability company organized in accordance with the Regulations for Companies in the Kingdom of Saudi Arabia. The Company obtained its Commercial Registration No. 4030214613 on 9 Sha'ban, 1432 (July 10, 2011). The Company obtained its Saudi Arabian General Investment Authority ("SAGIA") license No. 01-112032039152 dated 18 Rabi'I, 1432 (February 21, 2011) which will expire on 16 Rabi'I, 1437 (December 27, 2015).

The Company's share capital of SR 50,000,000 is divided into 50,000 shares of SR 1,000 each and is owned by the following shareholders:

	No. of shares of	Value
IL&FS Engineering and Construction Company Limited	27,500	27,500,000
Construction Products Company for Services	22,500	22,500,000
	50,000	50,000,000

The principal activity of the Company is projects contracts works, civil works, construction contracts of hospitals, roads works, bridges, dams, flood water discharge networks, water treatment and desalination plants, tunnels, excavation works, water and sewage, foundations and infrastructure works.

The Company's principal place of business is Jeddah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with the accounting standards generally accepted in the Kingdom of Saudi Arabia. These financial statements are not the statutory financial statements of the Company and are prepared solely for the use of the Company's shareholders and its management.

These financial statements have been prepared for the period from April 1, 2014 to March 31, 2015 with comparative figures from October 1, 2012 to March 31, 2014.

The statutory financial year of the Company will end on December 31, 2015.

The following is a summary of significant accounting policies applied by the Company:

Revenue recognition

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion in which case it is measured by the completion of physical proportion of the contract work. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Revenue recognized in excess of amounts billed to customers is classified under current assets as billings in process. Amounts billed to customers in excess of revenue recognized are classified under current liabilities as billing in excess of revenue. Progress payments and advances received from customers in respect of contracts are deducted from the amount of contract work-in-progress and excess payments on contracts are shown as a liability.

The cost of work-in-progress is arrived based on actual contract costs that relate to future activity on the contract which include cost of materials except those that have been made especially for the contract.

Expenses

General and administrative expenses include direct and indirect costs not specifically part of contract costs as required under accounting standards generally accepted in the Kingdom of Saudi Arabia. Allocations between general and administrative expenses and contract costs, when required, are made on a consistent basis.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

Building and portacabins	25% - 50%
Computers	25% - 50%
Machinery and equipment	25% - 50%
Office furniture and equipment	25% - 50%

Investments

Investments in subsidiaries which are at least 50% owned and/or in which the Company exercises control are consolidated based on the financial statements of the respective subsidiaries.

Investments in companies which are at least 20% owned and/or in which the Company exercises control or significant influence are recorded using the equity method, under which the investment is stated initially at cost and adjusted thereafter for the post acquisition change in the Company's share of the net assets of the investee. These are referred to as associated companies. The Company's share in the associated companies' net income/losses for the period is included in the statement of operations. The Company's share in the amounts recognized directly in the investees' equity is included in the statement of shareholders' equity.

The carrying amount of investments is reduced to recognize other than temporary diminution in value.

Income from the investments in financial instruments is recognized when dividends are declared.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015

(Expressed in Saudi Riyals)

Impairment of non-current assets

At each balance sheet date, the Company assesses whether there are any indications, whether internal or external, of impairment in the value of non-current assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

A non-current asset is considered impaired if its carrying amount is higher than its recoverable amount. Recoverable amount is the higher of fair value less cost to sell and value in use. To determine impairment, the Company compares the non-current asset's carrying amount with the undiscounted estimated cash flow from the asset's use. If the carrying amount exceeds the undiscounted cash flow from the asset, the Company estimates the present value of the estimated future cash flows from the asset. The excess of the carrying amount over the present value of the estimated future cash flows from the assets is considered an impairment loss.

An impairment loss is recognized immediately in the statement of operations. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior years. A reversal of an impairment loss is recognized immediately in the statement of operations.

Foreign currency translation

Foreign currency transactions are translated into Saudi Riyals at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of operations.

End-of-service indemnities

End-of-service indemnities, required by Saudi Arabian Labor Law, are provided in the financial statements based on the employees' length of service.

Zakat and income tax

The Company is subject to the Regulations of the Directorate of Zakat and Income Tax ("DZIT") in the Kingdom of Saudi Arabia. Zakat and income tax are provided on an accruals basis. The zakat charge is computed on the zakat base. The income tax is computed on adjusted net income. Any difference in the estimate is recorded when the final assessment is approved, at which time the provision is cleared.

No adjustments are made in the financial statements to account for the effects of deferred income taxes since zakat and income tax are the liabilities of the shareholders.

Leasing

Leases are classified as capital leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the operating lease.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

Financial assets and financial liabilities

Financial assets comprise of cash and cash equivalents, due from related parties and retention receivable. These financial assets are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include due to a bank, retention payable, accounts payable to suppliers and sub-contractors and due to related parties and are stated at their nominal value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For certain categories of financial assets, such as receivables, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced through the use of an allowance account. When a financial asset is not considered recoverable, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited to the statement of operations. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described above, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations), which are dealt with below:

Percentage-of-completion

The Company uses the percentage-of-completion method in accounting for its construction contract revenue. Use of the percentage-of-completion method requires the Company to estimate the proportion of work performed to date as a proportion of the total work to be performed and the management considers that the proportion of contract costs incurred to work performed to date relative to the estimated total contract cost is the most appropriate measure of percentage-of-completion in arriving at the profit to be recognized for the year.

The Company's revenue is also subject to re-measurement by customers. In order to determine the overall contract revenue, the Company's management relies on internally generated estimates prepared by their quantity surveyors taking into account material used, scope of work and labour hours.

The measurement of revenue is affected by a variety of uncertainties that depend on the outcome of future events. The estimated contract value may need to be revised as events occur and uncertainties are

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

resolved. In making this judgment, consideration was given as to whether the outcome of a construction contract can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Based on these judgments, margins may vary year on year as amounts which are deferred due to uncertainty in one financial year are recognized in the subsequent financial year, when management considers that the outcome of the related contract could be reliably estimated.

Contract variations

Contract variations are recognized as revenue to the extent that it is probable that they will result in revenue which can be reliably measured. This requires the exercise of judgment by management based on prior experience, application of contract terms and relationships with the customer and stage of negotiations reached.

Contract claims

A claim is an amount that the contractor seeks to collect from the customer or another party as reimbursements for costs not included in the contract price. A claim may arise from, for example, customer caused delays, prolongation cost, cost of acceleration of project, program errors in specifications or design, and disputed variations in contract work. The measurement of the amounts of revenue arising from claims is subject to a high level of uncertainty and often depends on the outcome of negotiations. Therefore, claims are only included in contract revenue when the amount has been accepted by the customer and can be measured reliably.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Construction cost estimates

The Company uses internal quantity surveyors together with project managers to estimate the costs to complete for construction contracts by using certain assumptions and key factors in the management of and reporting for its contracting arrangements. These assumptions are material and relate to:

- The estimation of costs to completion such as changes in material prices, labor costs, defects liability costs and other costs which are included in the construction cost estimates based on best estimates and the determination of the percentage of completion;
- The recoverability over claims;
- The recognition of penalties, claims and especially back-charges levied by related parties;

Allowance for doubtful debts

Allowance for doubtful debts is determined based upon a combination of factors to ensure that the contract receivables are not overstated due to uncollectability. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and aging of the receivables and continuing credit evaluation of the customers' financial conditions, but in relation to related party receivables, management believes those are generally fully recoverable because of the relationship of the shareholders with the customer, Saudi Binladin Group. Also, specific allowances for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations such as in the case of deterioration in the customer's operating results or financial position.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

Property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and demand deposits with original maturities of three months or less.

	March 31, 2015	March 31, 2014
Cash and bank balances	1,256,987	1,023,837

4. RELATED PARTY TRANSACTIONS

During the period, the Company transacted with the following related parties:

<u>Name</u>	<u>Relationship</u>
IL&FS Engineering and Construction Company Limited (formerly Maytas Infra Limited)	Shareholder
Saudi Binladin Group ("SBG") and its subsidiaries	Affiliates
Construction Products Holding Company ("CPC") and its subsidiaries	Affiliates

The significant transactions and the related amounts are as follows:

	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
Contract revenue	252,088,082	427,111,342
Purchase of materials and services	34,339,468	72,012,986
Income from supply of manpower	1,128,740	-

- a) Due from a related party, retention receivable, unbilled revenue and advances from customer represent balances of SBG - Architecture and Building Construction Division.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

b) Advances to suppliers and sub-contractors include the following advances relating to related parties:

	March 31, 2015	March 31, 2014
Precast Manufacturing Company	648,225	1,893,411
Al-Salem York Air Conditioning Company	-	70,293
United Construction & Trading Company	252,835	450,156
Issa Binladin Branch Establishment for Building Materials	-	11,193
United Arab Aluminium Company	198,655	387,580
	1,099,715	2,812,633

c) Due to related parties as of March 31 are comprised of the following:

	March 31, 2015	March 31, 2014
Construction Products Company for Services	721,006	1,764,764
Al-Salem York Air Conditioning Company	2,588,710	932,640
Saudi Ready Mix Company	83,092	1,853,142
United Construction & Trading Company	687,713	109,618
Bahra Advanced Cable Manufacture Company Limited	-	1,331,922
Precast Manufacturing Company	9,261,770	6,099,849
Axal Arabia Construction Company Limited	-	10,658
United Arab Aluminum Co	483,848	-
IL&FS Engineering and Construction Company Limited	140,470	265,900
Roots Group Arabia Company Limited	2,153,179	5,398,431
Issa Binladin Organization – Housing	1,050,087	601,005
	17,169,875	18,367,929

d) Retention payable as of March 31 includes the following retention relating to related parties:

	March 31, 2015	March 31, 2014
Precast Manufacturing Company	5,207,070	2,861,954
United Construction & Trading Company	130,103	31,442
United Arab Aluminum Co	74,753	-
	5,411,926	2,893,396

e) Accrued liabilities and other payables as of March 31 include an amount of SR 17,055,357 (2014: 11,425,932) from related parties.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

5. PROPERTY AND EQUIPMENT

	April 1	Additions	March 31
Cost:			
Portacabins	1,514,003	109,500	1,623,503
Computers	734,224	23,427	757,651
Machinery and equipment	32,351,491	5,434,438	37,785,929
Office furniture and equipment	2,868,960	831,775	3,700,735
Total Cost	37,468,678	6,399,140	43,867,818
Depreciation:			
Portacabins	764,253	537,304	1,301,557
Computers	584,361	80,892	665,253
Machinery and equipment	17,885,756	10,802,763	28,688,519
Office furniture and equipment	1,496,934	1,007,561	2,504,495
Total Depreciation	20,731,304	12,428,520	33,159,824
Net Book Value at April 1, 2014	16,737,374		
Net Book Value at March 31, 2015			10,707,994

6. INVESTMENT

Investment in a subsidiary as of March 31 is as follows:

Company	Country of incorporation	% Held	Principal activities	March 31, 2015	March 31, 2014
Maytas Infra for Construction WLL	State of Qatar	49%	General Construction	-	-

The details of the investments are as follows:

	March 31, 2015	March 31, 2014
April 1, 2014/October 1, 2012	-	-
Investment during the period	100,450	-
Share of net loss	(175,072)	-
Share of net loss adjusted with prepayments and other receivables	74,622	-
	-	-

During the period the Company made investment in the above subsidiary and accounted for its investment on equity basis rather than on consolidated basis as the subsidiary is under dormant stage and is being liquidated.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

7. BANK FACILITIES

During the period, the Company renewed its credit facility agreement with Saudi Hollandi Bank for letters of credit and short-term loans up to a maximum amount of SR 95 million (2014: SR 103 million). This facility is secured by promissory note and corporate guarantees from the shareholders. The loan bears finance cost at commercial rates. As of March 31, the Company had the following outstanding in relation to these facilities:

	March 31, 2015	March 31, 2014
Bank overdraft	-	117,939
Short-term loan	28,880,415	36,520,857
	28,880,415	36,638,796

8. AMOUNTS DUE FROM/(TO) CUSTOMERS UNDER CONSTRUCTION CONTRACT

	March 31, 2015	March 31, 2014
Contracts in progress at the end of the reporting period		
Construction costs incurred plus recognized profits		
less losses to date	772,277,510	523,609,431
Less: Progress billings	(700,491,853)	(434,873,606)
Recognized in the financial statements as unbilled revenue	71,785,657	88,735,825

9. ZAKAT AND INCOME TAX

The principal elements of the zakat base are as follows:

	March 31, 2015	March 31, 2014
Non-current assets	10,707,994	16,737,374
Non-current liabilities	4,636,185	3,103,411
Shareholders' equity	40,611,258	42,475,806
Net (loss)/profit	(16,066,798)	8,422,163

Some of these amounts have been adjusted in arriving at the zakat charge for the period.

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

The movement in the zakat and income tax provision is as follows:

Zakat:

	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
April 1, 2014/October 1, 2012	397,898	-
Provision for the period	185,582	653,014
Under provision for prior period	17,060	-
Payments during the period	<u>(414,958)</u>	<u>(255,116)</u>
	<u>185,582</u>	<u>397,898</u>

Income tax:

	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
April 1, 2014/October 1, 2012	942,775	-
Provision for the period	-	1,211,534
Under provision for prior period	136,586	-
Payments during the period	<u>(1,079,361)</u>	<u>(268,759)</u>
	<u>-</u>	<u>942,775</u>

The Company has filed its tax returns with DZIT for the years 2011 to 2014 which are still under review.

10. END-OF-SERVICE INDEMNITIES

The movement in provision is as follows:

	March 31, 2015	March 31, 2014
April 1, 2014/October 1, 2012	3,103,411	942,085
Provision for the period	2,018,873	2,646,148
Paid during the period	<u>(486,099)</u>	<u>(484,822)</u>
	<u>4,636,185</u>	<u>3,103,411</u>

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

11. GENERAL AND ADMINISTRATIVE EXPENSES

	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
Salaries and other related costs	10,865,337	14,650,131
Travelling	285,708	242,880
Rent	699,563	440,185
Depreciation	318,886	267,197
Professional fees	250,710	144,320
Subscription fees	238,806	-
Others	652,911	1,722,587
	13,311,921	17,467,300

12. OPERATING LEASE ARRANGEMENTS

	For the period from April 1, 2014 to March 31, 2015	For the period from October 1, 2012 to March 31, 2014
Payments under operating leases recognized as an expense during the period	9,962,757	24,113,094

Operating lease payments represent rentals payable by the Company mainly for equipment and accommodation, the commitments for which will expire within one year.

13. TRANSACTION WITH MAJOR CUSTOMERS

Contract revenues to SBG and some other related companies, amounting to SR 252.09 million (March 31, 2014: SR 427.11 million) represent 100% (March 31, 2014: 100%) of the Company's revenues.

14. CONTINGENCIES AND CAPITAL COMMITMENTS

As of March 31 the Company had the following contingencies:

	March 31, 2015	March 31, 2014
Letters of credit	58,753,261	50,919,046
Commitment for the remaining contractual works to be completed	311,818,307	323,091,128

MAYTAS INFRA SAUDI ARABIA COMPANY
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM APRIL 1, 2014 TO MARCH 31, 2015
(Expressed in Saudi Riyals)

15. FAIR VALUES

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

16. COMPARATIVE FIGURES

Certain figures of March 31, 2014 have been reclassified to conform with the presentation in the current period.