

**United Gulf Investment Corporation
B.S.C.**

Interim condensed consolidated
financial statements for the three
months ended 31 March 2017
(Unaudited)

United Gulf Investment Corporation B.S.C.
Interim condensed consolidated financial statements for the three months ended
31 March 2017
(Unaudited)

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United Gulf Investment Corporation B.S.C.
Administration and contact details as at 31 March 2017

Commercial registration no.	24377 obtained on 18 February 1991	
Directors	Rashed Al Suwaiket Abdulla Fahad. Al-Subaie Abdulla Mubarak Abdulla Al-Suwaiket Waleed Al-Tharman Sulaiman Ahmed Saeed Al-Houqani	• Chairman • Vice - Chairman
Authorised persons	Rashed Al Suwaiket Qusay Khalil Yusuf Al-Khalili	
Chief Executive Officer and Secretary to the Board	Qusay Khalil Yusuf Al-Khalili	
Audit Committee	Rashed Al Suwaiket Waleed Al-Tharman	- Chairman
Registered office	Office 3202, Building 2504 Road 2832, Block 428 Po Box 10177 Al-Seeef District Kingdom of Bahrain	
Bankers	Ahli United Bank Arab National Bank - Dammam Ithmar Bank	
Auditors	BDO 17 th Floor Diplomat Commercial Offices Tower PO Box 787 Manama Kingdom of Bahrain	
Registrars	Fakhro Karvy Computershare W.L.L. PO Box 514 Manama Kingdom of Bahrain	

Review report on the interim condensed consolidated financial statements to the Board of Directors of United Gulf Investment Corporation B.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of United Gulf Investment Corporation B.S.C. ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the interim condensed consolidated statement of financial position as at 31 March 2017, the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in shareholders' equity and the interim condensed consolidated statement of cash flows for the three months then ended and selected explanatory notes. The management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*". 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 condensed 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the interim condensed consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with International Accounting Standard 34 - "*Interim Financial Reporting*".



Manama, Kingdom of Bahrain
14 May 2017



United Gulf Investment Corporation B.S.C.
Interim condensed consolidated statement of financial position as at 31 March 2017
(Unaudited)(Expressed in Bahrain Dinars)

	<u>Notes</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
ASSETS			
Non-current assets			
Property, plant and equipment	4	41,419,042	41,953,121
Available-for-sale investments	6	<u>861,337</u>	<u>861,337</u>
		42,280,379	42,814,458
Current assets			
Financial assets at fair value through profit or loss	7	256,000	256,000
Inventories	8	18,200,464	19,407,198
Trade and other receivables		7,425,376	6,537,879
Cash and bank balances	9	<u>9,855,621</u>	<u>7,127,283</u>
		35,737,461	33,328,360
Total assets		<u>78,017,840</u>	<u>76,142,818</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	20,000,000	20,000,000
Statutory reserve		2,853,603	2,853,603
Share premium		116,328	116,328
Other reserves		<u>7,770,350</u>	<u>7,374,119</u>
Equity attributable to shareholders of the parent company		30,740,281	30,344,050
Non-controlling interest	11	<u>7,768,507</u>	<u>7,493,487</u>
		38,508,788	37,837,537
Non-current liabilities			
Non-current portion of term loans	12	29,603,622	27,397,092
Employees' terminal benefits		<u>523,442</u>	<u>507,845</u>
		30,127,064	27,904,937
Current liabilities			
Current portion of term loans	12	5,144,429	6,836,596
Trade and other payables	13	<u>4,237,559</u>	<u>3,563,748</u>
		9,381,988	10,400,344
Total equity and liabilities		<u>78,017,840</u>	<u>76,142,818</u>

The unaudited interim condensed consolidated financial statements, set out on pages 4 to 17, was approved and authorised for issue by the Board of Directors on 14 May 2017 and signed on their behalf by:



 Rashed Al-Suyraiket
 Chairman




 Abdulla Fahad Al-Subaie
 Vice Chairman

United Gulf Investment Corporation B.S.C.
Interim condensed consolidated statement of profit or loss and other comprehensive income
for the three months ended 31 March 2017
(Unaudited) (Expressed in Bahrain Dinars)

	Notes	Three months ended 31 March 2017	Three months ended 31 March 2016
Subsidiary sales		11,210,115	2,904,612
Subsidiary cost of sales		(9,709,590)	(2,181,595)
Subsidiary gross profit		1,500,525	723,017
Other income	14	89,647	-
		<u>1,590,172</u>	<u>723,017</u>
Expenses			
Indirect expenses		(318,085)	(294,422)
Finance costs		(70,536)	(66,285)
		<u>(388,621)</u>	<u>(360,707)</u>
Net profit for the period before Zakat and share of profit from investment in an associate		1,201,551	362,310
Share of profit from investment in an associate		-	78,223
Net profit for the period before tax		1,201,551	440,533
Provision for Zakat		(530,300)	(30,300)
Net profit and total comprehensive income the period		<u>671,251</u>	<u>410,233</u>
Net profit attributable to:			
Shareholders of the Parent Company		396,231	317,483
Non-controlling interest	11	275,020	92,750
		<u>671,251</u>	<u>410,233</u>
Basic and diluted earnings per share	15	<u>1.98 fils</u>	<u>1.59 fils</u>
Total comprehensive income attributable to:			
Shareholders of the Parent Company		396,231	317,483
Non-controlling interest	11	275,020	92,750
		<u>671,251</u>	<u>410,233</u>

The unaudited interim condensed consolidated financial statements, set out on pages 4 to 17, was approved and authorised for issue by the Board of Directors on 14 May 2017 and signed on their behalf by:


Rashed Al-Suwaiket
Chairman


Abdulla Fahad Al-Subaie
Vice Chairman

United Gulf Investment Corporation B.S.C.
Interim condensed consolidated statement of changes in shareholders' equity for the three months ended 31 March 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	Equity attributable to shareholders of the Parent Company						
	Share capital	Statutory reserve	Share premium	Revaluation reserve	Other reserves	Retained earnings	Non-controlling interest
							Total
At 31 December 2015	20,000,000	2,805,393	116,328	-	6,509,318	29,431,039	37,355,440
Total comprehensive income for the period	-	-	-	-	317,483	317,483	410,233
Transferred to statutory reserve	-	31,748	-	-	(31,748)	-	-
At 31 March 2016	20,000,000	2,837,141	116,328	-	6,795,053	29,748,522	37,765,673
Transferred to revaluation reserve	-	-	-	4,329,043	(4,329,043)	-	-
Total comprehensive income for the period	-	-	-	-	595,528	595,528	71,864
Transferred to statutory reserve	-	16,462	-	-	(16,462)	-	-
At 31 December 2016	20,000,000	2,853,603	116,328	4,329,043	3,045,076	30,344,050	37,837,537
Total comprehensive income for the period	-	-	-	-	396,231	396,231	671,251
At 31 March 2017	20,000,000	2,853,603	116,328	4,329,043	3,441,307	30,740,281	38,508,788

United Gulf Investment Corporation B.S.C.
Interim condensed consolidated statement of cash flows for the three months ended
31 March 2017
(Unaudited)
(Expressed in Bahrain Dinars)

	<u>Notes</u>	Three months ended 31 March <u>2017</u>	Three months ended 31 March <u>2016</u>
Operating activities			
Net profit for the period		671,251	410,233
Adjustments for:			
Depreciation	4	537,488	720,667
Share of profit from investment in an associate		-	(78,223)
Dividend income	14	(80,580)	-
Finance costs		70,536	66,285
Changes in operating assets and liabilities:			
Inventories		1,206,734	(3,894,926)
Trade and other receivables		(887,497)	(141,688)
Trade and other payables		673,811	(499,889)
Employees' terminal benefits, net		<u>15,597</u>	<u>611</u>
Net cash provided by/(used in) operating activities		<u>2,207,340</u>	<u>(3,416,930)</u>
Investing activities			
Purchase of property, plant and equipment	4	(3,409)	(788)
Dividend received from an associate		-	114,611
Dividend received	14	<u>80,580</u>	<u>-</u>
Net cash provided by investing activities		<u>77,171</u>	<u>113,823</u>
Financing activities			
Finance costs paid		(70,536)	(66,285)
Net movement in term loans		<u>514,363</u>	<u>1,753,279</u>
Net cash (used in)/provided by financing activities		<u>443,827</u>	<u>1,686,994</u>
Net increase/(decrease) in cash and cash equivalents		2,728,338	(1,616,113)
Cash and cash equivalents, beginning of the period		<u>7,127,283</u>	<u>7,903,969</u>
Cash and cash equivalents, end of the period	9	<u>9,855,621</u>	<u>6,287,856</u>

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the interim condensed consolidated financial statements for the three months ended 31 March 2017

(Unaudited)

(Expressed in Bahrain Dinars)

1 Organisation and activities

United Gulf Investment Corporation B.S.C. (“the Company”) and its subsidiaries comprise “the Group.” 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 24377 obtained on 18 February 1991.

According to 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 for in the Memorandum and Articles of Association.

The principal activities of the Company include property leasing, buying and selling of properties for the Company, third grade industrial maintenance works, selling and buying of shares and securities for the Company and investment in local industrial projects.

The Company’s registered office is in the Kingdom of Bahrain.

2 Structure of the Group

The structure of the Group is as follows:

<u>Name of the Subsidiary</u>	<u>Country of incorporation</u>	<u>Proportion of ownership interest as at 31 March</u>	<u>Non-controlling interest ownership /voting interest as at 31 March</u>
Gulf Ferro Alloys Company (SABAYEK) W.L.L.	Kingdom of Saudi Arabia	75.68% (31 December 2016: 75.68%)	24.32% (31 December 2016: 24.32%)
United Gulf Trading S.P.C.	Kingdom of Bahrain	100% (31 December 2016: Nil)	- (31 December 2016: Nil)

The above total assets and net profit for the period of the subsidiaries have been extracted from the unaudited interim management accounts for the three months ended 31 March 2017.

3 Basis of preparation

The condensed interim consolidated financial information has been prepared in accordance with International Accounting Standard 34 - “Interim Financial Reporting”. The condensed interim consolidated financial information should therefore be read in conjunction with the annual audited consolidated financial statements prepared as at, and for the year ended, 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards.

The preparation of condensed interim consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies.

3 Basis of preparation (continued)

Improvements to IFRS/IAS 2014/2016 cycle

Improvements to IFRS/IAS issued in 2014/2016 cycle contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments are effective for the Group's annual audited consolidated financial statements beginning on or after 1 January 2017 and subsequent periods with earlier adoption permitted. No material changes to accounting policies are expected as a result of these amendments.

Standards, amendments and interpretations effective and adopted in 2017

The following new standard, amendment to existing standard or interpretation to published standard is mandatory for the first time for the financial year beginning 1 January 2017 and has been adopted in the preparation of these condensed consolidated financial statements:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 7	Statement of Cash Flows	1 January 2017

On January 7, 2016, the IASB issued amendments to IAS 7- Disclosure Initiative. The amendments require disclosures that enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. One way to meet this new disclosure requirement is to provide reconciliation between the opening and closing balances for liabilities from financing activities. The Group has adopted the amendments to IAS 7 in its interim condensed consolidated financial statements for the period beginning on 1 January 2017.

Standards, amendments and interpretations issued and effective in 2017 but not relevant

The following new amendments to existing standard and interpretation to published standard is mandatory for accounting period beginning on or after 1 January 2017 or subsequent periods, but is not relevant to the Group's operations:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 12	Income taxes	1 January 2017

3 Basis of preparation (continued)

Standards, amendments and interpretations issued but not yet effective in 2017

The following new/amended accounting standards and interpretations have been issued, but are not mandatory for financial period ended 31 March 2017. They have not been adopted in preparing the financial statements for the period ended 31 March 2017 and will or may have an effect on the Group's future consolidated financial statements. In all cases, the Group intends to apply these standards from application date as indicated in the table below:

<u>Standard or Interpretation</u>	<u>Title</u>	<u>Effective for annual periods beginning on or after</u>
IAS 40	Investment properties	1 January 2018
IFRS 9	Financial instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018
IFRS 16	Leases	1 January 2019

There would have been no change in the operational results of the Group for the period ended 31 March 2017 had the Group early adopted any of the above standards applicable to the Group except for IFRS15, IFRS 9 and IFRS16, the impact of which is being assessed by the Group.

Early adoption of amendments or standards in 2017

The Group did not early-adopt any new or amended standards in 2017.

4 Property, plant and equipment

Additions to property, plant and equipment during the three month period ended 31 March 2017 amounted to BD3,409 (31 March 2016: BD788). There were no disposals of property, plant and equipment during the three month period ended 31 March 2017 (31 March 2016: BDNil).

The depreciation charged for the three months ended 31 March 2017 amounted to BD537,488 (31 March 2016: BD720,667)

The Group operates from premises rented at a monthly rent of BD1,631 (2016: BD1,631 per month).

The property, plant and equipment are subject to term loans (Note 12).

United Gulf Investment Corporation B.S.C.
 Selected explanatory notes to the interim condensed consolidated financial statements for the three months ended 31 March 2017
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5 Investment in an associate

	31 March <u>2017</u>	31 December <u>2016</u>
Opening balance	-	841,445
Dividends received during the year	-	(183,676)
Share of profit for the year	-	203,568
Transferred to available-for-sale investments (Note 6)	<u>-</u>	<u>(861,337)</u>
Closing balance	<u>-</u>	<u>-</u>

During the year ended 31 December 2016, the Group has lost its significant influence over the associate. Accordingly, this investment has been re-classified as available-for-sale investments (Note 6) during 2016.

6 Available-for-sale investments

	31 March <u>2017</u>	31 December <u>2016</u>
Available-for-sale investments	<u>861,337</u>	<u>861,337</u>

As at 31 December 2016, the Group has lost its significant influence over Dhahran Chemical Industries Marketing. Accordingly, this investment was re-classified as available-for-sale investments (Note 5).

The available-for-sale investments have been recorded at their fair values as estimated by the management based on the current market offers.

The Company has performed an impairment test over the available-for-sale investments and concluded that investments are not impaired.

	31 March <u>2017</u>	31 December <u>2016</u>
<i>Analysis of available-for-sale investments</i>		
Unquoted equity investments	<u>861,337</u>	<u>861,337</u>

Available-for-sale investments are denominated in the following currencies:

Currency	31 March <u>2017</u>	31 December <u>2016</u>
Saudi Riyals	<u>861,337</u>	<u>861,337</u>

7 Financial assets at fair value through profit or loss

	31 March <u>2017</u>	31 December <u>2016</u>
Opening and closing balance	<u>256,000</u>	<u>256,000</u>

United Gulf Investment Corporation B.S.C.
Selected explanatory notes to the interim condensed consolidated financial statements for the three months ended 31 March 2017
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8 Inventories

	<u>31 March 2016</u>	<u>31 December 2016</u>
Raw materials	6,202,744	4,055,795
Finished goods and work-in-process	9,838,377	13,232,867
Consumable spares	<u>2,159,343</u>	<u>2,118,536</u>
	<u>18,200,464</u>	<u>19,407,198</u>

9 Cash and bank balances

	<u>31 March 2017</u>	<u>31 December 2016</u>
Balances in call and current accounts with banks	9,850,888	7,125,795
Cash on hand	<u>4,733</u>	<u>1,488</u>
	<u>9,855,621</u>	<u>7,127,283</u>

10 Share capital

	<u>31 March 2017</u>	<u>31 December 2016</u>
Authorised		
400,000,000 (2016: 400,000,000) shares of 100 fils each	<u>40,000,000</u>	<u>40,000,000</u>
Issued and fully paid-up		
200,000,000 (2016: 200,000,000) shares of 100 fils each	<u>20,000,000</u>	<u>20,000,000</u>

11 Non-controlling interest

	<u>31 March 2017</u>	<u>31 December 2016</u>
Opening balance	7,493,487	7,924,401
Share of non-controlling interest in the total comprehensive income/(loss) of the subsidiary	<u>275,020</u>	<u>(430,914)</u>
Closing balance	<u>7,768,507</u>	<u>7,493,487</u>

United Gulf Investment Corporation B.S.C.
Selected explanatory notes to the interim condensed consolidated financial statements for the three
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12 Term loans

	<u>31 March</u> <u>2017</u>	<u>31 December</u> <u>2016</u>
Saudi Industrial Development Fund		
In 1996, the subsidiary obtained a long-term loan from SIDF amounting to SAR323 million by pledging the property, plant and equipment of the subsidiary and the guarantee of the subsidiary's shareholders against the loan. The total drawings against this loan amounted to SAR319 million.		
The loan agreement initially stated that the loan should be repaid in 16 instalments starting from 28 July 1999 and will end on 8 October 2006.		
Subsequently, the subsidiary negotiated with SIDF for the extension of the repayment schedule of the loan to a later period. SIDF accepted the subsidiary's proposal and extended the loan repayment period to 32 years beginning from 17 April 2008, with half yearly intervals, vide their letter dated 7/11/1427 Hijri (Arabic date).	23,139,100	23,139,100
Saudi Electric Company		
The subsidiary negotiated with the SEC to grant it a power tariff concession of SAR 0.12 per KW/HR of electricity during the year 2011, and was granted power concession for the period of four years starting from 1 January 2010 to December 2014, accordingly the subsidiary shut down furnace for years 2011 and 2012.		
First power concessional agreement was received during the year 2011. This agreement was not signed by the subsidiary until January 2013.		
Due to cash shortage, the subsidiary could not pay the dues to SEC on time. The management negotiated with SEC for instalment payments against energy bills to which SEC agreed. Total amount due to SEC at 31 December 2014 amounted to SAR57,389,864. The renegotiated amount as at 31 December 2014 being SAR33,706,500 is payable in 24 equal monthly instalments of SAR1,400,000 each starting 3 November 2014 and ending 3 October 2016. The subsidiary is currently negotiating the repayment with SEC.	<u>11,608,951</u>	<u>11,094,588</u>
	34,748,051	34,233,688
Less: current portion of term loans	<u>(5,144,429)</u>	<u>(6,836,596)</u>
Non-current portion of term loans	<u>29,603,622</u>	<u>27,397,092</u>

That portion of the term loans which is repayable within one year from the interim condensed consolidated statement of financial position date is disclosed as current portion of term loans.

United Gulf Investment Corporation B.S.C.
Selected explanatory notes to the interim condensed consolidated financial statements for the three months ended 31 March 2017
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12 Term loans (continued)

	31 March 2017	31 December 2016
Opening balance	34,233,688	31,724,622
Addition during the period/year	1,461,363	6,244,791
Repayments during the period/year	<u>(947,000)</u>	<u>(3,735,725)</u>
Closing balance	<u>34,748,051</u>	<u>34,233,688</u>

13 Trade and other payables

	31 March 2017	31 December 2016
Trade payables	1,038,078	1,118,286
Accruals and other payables	<u>3,199,481</u>	<u>2,445,462</u>
	<u>4,237,559</u>	<u>3,563,748</u>

Trade payables are normally settled within 30 days from the suppliers' invoice date.

The accruals and other payables include Zakat and income tax payable by the subsidiary. In accordance with Saudi Organisation for Certified Public Accountants (SOCPA) Accounting Standard No.11 for Zakat and Income tax, a uniform presentation has been set for Zakat and Income tax due by companies with mixed Saudi and foreign partners, which is charged directly to the statement of profit or loss and other comprehensive income.

The foreign capital investment regulations of Saudi Arabia exempt the foreign partners from income tax for a period of ten years commencing from the starting date of commercial production.

As at 31 March 2017, the subsidiary's liability for Zakat and income tax payable amounted to BD651,500 (31 December 2016: BD161,095).

14 Other income

	Three months Ended 31 March 2017	Three months ended 31 March 2016
Dividend income	80,580	-
Miscellaneous income	<u>9,067</u>	<u>-</u>
	<u>89,647</u>	<u>-</u>

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15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	Three months Ended 31 March <u>2017</u>	Three months ended 31 March <u>2016</u>
Net profit attributable to shareholders of the Parent Company	<u>396,231</u>	<u>317,483</u>
Weighted average number of ordinary shares in issue during the period	<u>200,000,000</u>	<u>200,000,000</u>
Basic and diluted earnings per share	<u>1.98 fils</u>	<u>1.59 fils</u>

16 Related parties transactions and balances

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 the shareholders, key management personnel and their close family members and such other companies over which the Group or its shareholders, key management personnel and their close family members can exercise significant influence or can be significantly influenced by those parties. The Group's transactions with related parties are authorised by the management. Further, there are no loans due from any of the Directors of the Group and there are no related party transactions during the period.

Key management personnel compensation

Key management personnel of the Group comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group including the Chief Executive Officer of the Group.

	Three months Ended 31 March <u>2017</u>	Three months ended 31 March <u>2016</u>
Remuneration to key management personnel	<u>6,900</u>	<u>6,900</u>

United Gulf Investment Corporation B.S.C.

Selected explanatory notes to the interim condensed consolidated financial statements for the three months ended 31 March 2017

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17 Segmental information

The Group's primary segment reporting format is business segments. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments.

The Group's primary business segments are:

- smelting;
- investment income-foreign; and
- investment income-domestic.

As at and for the three month period ended 31 March 2017

	<u>Smelting</u>	<u>Foreign investments</u>	<u>Others</u>	<u>Total</u>
Sales - Third party transactions	11,210,115	-		11,210,115
Operating costs	<u>(9,709,590)</u>	<u>-</u>	<u>-</u>	<u>(9,709,590)</u>
Operating profit	1,500,525	-	-	1,500,525
Other income	9,067	80,580	-	89,647
Other expenses	<u>(378,752)</u>	<u>-</u>	<u>(540,169)</u>	<u>(918,921)</u>
Net profit for the period	<u>1,130,840</u>	<u>80,580</u>	<u>(540,169)</u>	<u>671,251</u>
Assets and liabilities				
Total segment assets	<u>69,934,926</u>	<u>-</u>	<u>8,082,914</u>	<u>78,017,840</u>
Total segment liabilities	<u>37,987,909</u>	<u>-</u>	<u>1,521,143</u>	<u>39,509,052</u>

For the three months period ended 31 March 2016 and as at 31 December 2016

	<u>Smelting</u>	<u>Investment</u>		<u>Other</u>	<u>Total</u>
		<u>Foreign</u>	<u>Domestic</u>		
Sales - Third party transactions	2,904,612	-	-	-	2,904,612
Operating costs	<u>(2,181,595)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,181,595)</u>
Operating profit	723,017	-	-	-	723,017
Other expenses	(341,644)	-	(49,363)	-	(391,007)
Share of profit in an associate	<u>-</u>	<u>78,223</u>	<u>-</u>	<u>-</u>	<u>78,223</u>
Net profit for the period	<u>381,373</u>	<u>78,223</u>	<u>(49,363)</u>	<u>-</u>	<u>410,233</u>
Assets and liabilities					
Total segment assets	<u>72,398,044</u>	<u>-</u>	<u>-</u>	<u>3,744,774</u>	<u>76,142,818</u>
Total segment liabilities	<u>37,257,463</u>	<u>-</u>	<u>-</u>	<u>1,047,818</u>	<u>38,305,281</u>

United Gulf Investment Corporation B.S.C.
 Selected explanatory notes to the interim condensed consolidated financial statements for the three months ended 31 March 2017
 (Unaudited)
 (Expressed in Bahrain Dinars)

17 Segmental information (continued)

The Group's secondary reporting format is geographic segment which is based on the geographical location of the Group's operations. The Group mainly operates in:

- Kingdom of Bahrain; and
- Kingdom of Saudi Arabia.

	<u>Segment assets</u>		<u>Segment liabilities</u>	
	As at 31 March <u>2017</u>	As at 31 December <u>2016</u>	As at 31 March <u>2017</u>	As at 31 December <u>2016</u>
Kingdom of Bahrain	8,082,914	8,073,817	1,521,143	1,047,818
Kingdom of Saudi Arabia	<u>69,934,926</u>	<u>68,069,001</u>	<u>37,987,909</u>	<u>37,257,463</u>
	<u>78,017,840</u>	<u>76,142,818</u>	<u>39,509,052</u>	<u>38,305,281</u>

18 Dividends

The Board of Directors does not propose to pay any dividends during the period ended 31 March 2017 (31 December 2016: BDNil).

19 Interim results

The interim consolidated net profit and other comprehensive income for the three months ended 31 March 2017 may not be represent a proportionate share of the annual consolidated net profit and other comprehensive income due to the variability in timing of the receipt of investment income.

20 Events after the reporting period

There were no events occurring subsequent to 31 March 2017 and before the date of the report that are expected to have a significant impact on these interim condensed consolidated financial information.