

TERNA SAUDI ARABIA COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS AND AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2014

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AUDITORS' REPORT

To the shareholders
Terna Saudi Arabia Company Limited
Al-Khobar, Kingdom of Saudi Arabia

Scope of Audit

We have audited the balance sheet of Terna Saudi Arabia Company Limited ("the Company"), a Saudi limited liability company as of December 31, 2014, and the related statements of operations, shareholders' equity and cash flows for the year then ended, and notes 1 to 7 which form an integral part of these financial statements as prepared by the Company in accordance with Article 175 of the Regulations for Companies 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 generally accepted auditing standards 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Unqualified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2014, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting standards in the Kingdom of Saudi Arabia appropriate to the nature of the Company, and comply with the Articles of the Company as these relate to the preparation and presentation of these financial statements.

Deloitte & Touche
Bakr Abulkhair & Co.

Mazen A. Al-Omari
License No. 480
14 Jumada' I, 1436
March 5, 2015



TERNA SAUDI ARABIA COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

BALANCE SHEET
AS OF DECEMBER 31, 2014

	Note	2014 SR	2013 SR
ASSET			
Current asset			
Cash and cash equivalent	3	2,000,000	2,000,000
TOTAL ASSET		2,000,000	2,000,000
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accrued expenses and other liabilities	4	57,840	69,195
Due to a related party	5	95,205	16,640
Total current liabilities		153,045	85,835
Shareholders' equity			
Share capital	1	2,000,000	2,000,000
Accumulated losses		(153,045)	(85,835)
Total shareholders' equity		1,846,955	1,914,165
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,000,000	2,000,000

The accompanying notes form an integral part of these financial statements

TERNA SAUDI ARABIA COMPANY LIMITED
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STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
	SR	SR
General and administrative expenses	<u>(48,000)</u>	<u>(35,500)</u>
NET LOSS	<u>(48,000)</u>	<u>(35,500)</u>

The accompanying notes form an integral part of these financial statements

TERNA SAUDI ARABIA COMPANY LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
	SR	SR
OPERATING ACTIVITIES		
Net loss	(48,000)	(35,500)
Changes in operating assets and liabilities:		
Accrued expenses and other liabilities	(11,230)	18,860
Due to a related party	78,565	16,640
Cash used in operations	19,335	-
Zakat paid	(19,335)	-
Net cash used in operating activities	-	-
Net change in cash and cash equivalents	-	-
Cash and cash equivalents, January 1	2,000,000	2,000,000
CASH AND CASH EQUIVALENTS, DECEMBER 31	2,000,000	2,000,000

The accompanying notes form an integral part of these financial statements

TERNA SAUDI ARABIA COMPANY LIMITED
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STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Share capital SR	Accumulated losses SR	Total SR
January 1, 2013	2,000,000	(31,000)	1,969,000
Net loss for 2013	-	(35,500)	(35,500)
Zakat for the year (note 6)	-	(19,335)	(19,335)
December 31, 2013	2,000,000	(85,835)	1,914,165
Net loss for 2014	-	(48,000)	(48,000)
Zakat for the year (note 6)	-	(19,210)	(19,210)
December 31, 2014	2,000,000	(153,045)	1,846,955

The accompanying notes form an integral part of these financial statements

TERNA SAUDI ARABIA COMPANY LIMITED
(LIMITED LIABILITY COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. ORGANIZATION AND ACTIVITIES

Terna Saudi Arabia Company Limited ("the Company") a Saudi limited liability company registered on 9 Safar 1433 H (January 3, 2012) under commercial registration number 2051047464. The share capital of the Company, amounting to SR 2,000,000, is divided into 2000 shares of SR 1,000 each.

The shareholders of the Company as of December 31, 2014 and 2013 are as follows:

<u>Name</u>	<u>Shareholding</u>
Terna Tourist Technical and Maritime Company S.A, a company registered under the laws of Greece	60%
Mr. Mohammad Jamal Abdulsattar Mohammad Ali Dannawi, a Saudi national	40%

The principal activities of the Company are execution of construction contracts and maintenance of buildings, industrial facilities, power facilities, hydraulic works, ports works, mechanical and electrical works, construction of roads and provide technical support services.

The Company did not carry out any commercial activities since its inception and did not have any contracts during the period.

The Company's registered office is in Al-Khobar, Kingdom of Saudi Arabia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting standards in the Kingdom of Saudi Arabia issued by the Saudi Organization for Certified Public Accountants. The following is a summary of significant accounting policies applied by the Company:

Accounting convention

The financial statements are prepared under the historical cost convention.

General and Administrative expenses

All administrative expenses have been classified as general and administration expenses and it mainly comprise professional fee and other charges.

Zakat and income tax

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

3. CASH AND CASH EQUIVALENT

Cash and cash equivalent include cash and bank balances, demand deposits, and highly liquid investments with original maturities of three months or less. As of December 31, 2014 and 2013, cash and cash equivalents comprised entirely of a bank balance.

TERNA SAUDI ARABIA COMPANY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

4. ACCRUED EXPENSES AND OTHER LIABILITIES

	2014 SR	2013 SR
Zakat payable (note 6)	19,210	19,335
Accrued expenses and other payables	38,630	49,860
	<u>57,840</u>	<u>69,195</u>

5. RELATED PARTY TRANSACTIONS

During the year, the Company mainly transacted with the following related party:

<u>Name</u>	<u>Relationship</u>
Terna Bahrain Holding W.L.L	Affiliates

The significant transactions and the related amounts are as follows:

	2014 SR	2013 SR
Expenses paid on the behalf of the Company	78,565	16,640

6. ZAKAT AND INCOME TAX

The principal elements of the zakat base are as follows:

	2014 SR	2013 SR
Opening shareholders' equity	1,914,165	1,969,000
Net loss	(48,000)	(35,500)

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

The movement in zakat provision is as follows:

	2014 SR	2013 SR
Zakat		
January 1	19,335	-
Provision for the year	19,210	19,335
Payment during the year	(19,335)	-
December 31	<u>19,210</u>	<u>19,335</u>

The charge for the year for zakat is as follows:

	2014 SR	2013 SR
Zakat charged to the statement of shareholders' equity	19,210	19,335

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

No provision for income tax has been made as at December 31, 2014, and 2013 as the Company has reported taxable losses during these year.

Outstanding assessment:

The Company has filed its zakat and income tax return upto year ended December 31, 2013 and obtained the required certificates.

7. FAIR VALUES

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