

**BOUBYAN PETROCHEMICAL COMPANY K.S.C.
AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

31 JULY 2013

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN PETROCHEMICAL COMPANY K.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Petrochemical Company K.S.C. (the "parent company") and its subsidiaries (the "group") as at 31 July 2013 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statements of changes in equity and cash flows for the three months period then ended. The management of the parent company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the International Financial Reporting Standards IAS 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim 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 information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No 25 of 2012, as amended, or of the Articles of Association and Memorandum of Incorporation, as amended, of the parent company during the three months period ended 31 July 2013 that might have had a material effect on the business of the parent company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three months period ended 31 July 2013.



WALEED A. AL OSAIMI
LICENCE NO. 68 A
EY
AL AIBAN, AL OSAIMI & PARTNERS



ALI KHALED AL-FARAJ
LICENCE NO. 28 A
OF AL-FARAJ AUDITING OFFICE

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 July 2013 (Unaudited)

	Notes	3 months ended 31 July	
		2013 KD	2012 KD
Sales		7,646,506	6,053,327
Cost of sales		(6,479,835)	(4,908,591)
GROSS PROFIT		1,166,671	1,144,736
Dividend income		3,800	281,220
Investment income		711,555	848,789
Share of results of associates		599,065	305,373
Other income		109,424	176,309
General and administrative expenses		(824,655)	(572,238)
Finance cost		(1,200,959)	(1,771,507)
Foreign exchange (loss) gain		(24,533)	189,035
Profit before impairment of investments available for sale		540,368	601,717
Impairment of investments available for sale (others)	4	(127,020)	(478,071)
PROFIT FOR THE PERIOD		413,348	123,646
Other comprehensive income (loss):			
<i>Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:</i>			
Realised gain on sale of investments available for sale (others)		(711,555)	(848,789)
Unrealised loss on investments available for sale (others)		(67,457)	(940,413)
Transfer to profit for the period on impairment of investments available for sale (others)		127,020	478,071
Others		169	-
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(651,823)	(1,311,131)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation of property, plant and equipment		-	47,734
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	47,734
OTHER COMPREHENSIVE LOSS		(651,823)	(1,263,397)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(238,475)	(1,139,751)
Profit attributable to:			
Equity holders of the parent company		385,295	101,000
Non-controlling interests		28,053	22,646
		413,348	123,646
Total comprehensive (loss) income attributable to:			
Equity holders of the parent company		(266,697)	(1,162,397)
Non-controlling interests		28,222	22,646
		(238,475)	(1,139,751)
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	0.81 fils	0.21 fils

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.


Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2013 (Unaudited)

		<i>(Audited)</i>		
		<i>31 July</i>	<i>30 April</i>	<i>31 July</i>
		<i>2013</i>	<i>2013</i>	<i>2012</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS				
Bank balances and short term deposits		3,358,413	21,052,346	23,683,815
Accounts receivable and prepayments		9,478,238	10,866,383	7,878,454
Inventories		4,812,422	5,413,671	4,839,359
Investments carried at fair value through income statement		100,998,029	100,998,029	100,998,029
Investments available for sale (Equate)		136,150,608	136,150,608	138,301,724
Investments available for sale (others)	4	70,228,755	72,073,811	87,334,089
Investment in associates		33,426,501	33,250,428	18,380,524
Exchange of deposits		5,152,932	5,093,413	4,854,208
Property, plant and equipment		20,604,822	20,534,012	20,312,732
Goodwill		6,002,464	6,002,464	6,002,464
TOTAL ASSETS		390,213,184	411,435,165	412,585,398
LIABILITIES AND EQUITY				
LIABILITIES				
Term loans		54,572,049	50,808,178	60,673,950
Islamic financing payables		62,257,487	62,704,730	72,397,335
Accounts payable and accruals		10,538,413	14,625,641	12,769,934
Dividend payable		4,621,919	3,113,399	9,557,869
Total liabilities		131,989,868	131,251,948	155,399,088
EQUITY				
Share capital		48,510,000	48,510,000	48,510,000
Share premium		2,400,000	2,400,000	2,400,000
Treasury shares	5	(4,068,564)	(3,858,340)	(3,262,241)
Treasury shares reserve		998,971	998,971	993,574
Statutory reserve		24,255,000	24,255,000	24,255,000
Voluntary reserve		24,255,000	24,255,000	24,255,000
Other reserves		(181,744)	(181,744)	(181,744)
Revaluation reserve		5,806,784	5,806,784	5,854,518
Cumulative changes in fair value		111,489,117	112,141,109	114,689,871
Retained earnings		43,265,814	64,391,721	38,278,911
Equity attributable to equity holders of the parent company		256,730,378	278,718,501	255,792,889
Non-controlling interests		1,492,938	1,464,716	1,393,421
Total equity		258,223,316	280,183,217	257,186,310
TOTAL LIABILITIES AND EQUITY		390,213,184	411,435,165	412,585,398

Marzouq A. Alghanim
(Chairman)


Dabbous M. Al-Dabbous
(Deputy Chairman)

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 July 2013 (Unaudited)

	Attributable to shareholders of the parent company										Non-controlling interests	Total equity
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Other reserves KD	Revaluation reserve KD	Cumulative changes in fair value KD	Retained earnings KD		
Balance at 1 May 2013	48,510,000	2,400,000	(3,858,340)	998,971	24,255,000	(181,744)	5,806,784	112,141,109	64,391,721	278,718,501	1,464,716	280,183,217
Profit for the period	-	-	-	-	-	-	-	-	385,295	385,295	28,053	413,348
Other comprehensive income (loss)	-	-	-	-	-	-	-	(651,992)	-	(651,992)	169	(651,832)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	(651,992)	385,295	(266,697)	28,222	(238,475)
Purchase of treasury shares	-	-	(210,224)	-	-	-	-	-	-	(210,224)	-	(210,224)
Dividends (note 6)	-	-	-	-	-	-	-	-	(21,511,202)	(21,511,202)	-	(21,511,202)
Balance at 31 July 2013	48,510,000	2,400,000	(4,068,564)	998,971	24,255,000	(181,744)	5,806,784	111,489,117	43,256,814	256,730,378	1,492,938	258,223,316
Balance at 1 May 2012	48,510,000	2,400,000	(949,972)	993,574	24,255,000	(181,744)	5,806,784	116,001,002	57,359,488	278,449,132	1,370,775	279,819,907
Profit for the period	-	-	-	-	-	-	-	-	101,000	101,000	22,646	123,646
Other comprehensive income (loss)	-	-	-	-	-	-	47,734	(1,311,131)	-	(1,263,397)	-	(1,263,397)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	47,734	(1,311,131)	101,000	(1,162,397)	22,646	(1,139,751)
Purchase of treasury shares	-	-	(2,312,269)	-	-	-	-	-	-	(2,312,269)	-	(2,312,269)
Dividends (note 6)	-	-	-	-	-	-	-	-	(19,181,577)	(19,181,577)	-	(19,181,577)
Balance at 31 July 2012	48,510,000	2,400,000	(3,262,241)	993,574	24,255,000	(181,744)	5,854,518	114,689,871	38,278,911	255,792,889	1,393,421	257,186,310

During the three months ended 31 July 2013, unrealised loss on investments available for sale (others) include an amount of KD 94,349 (three months ended 31 July 2012: unrealised loss amounting to KD 35,176) in respect of foreign currency movement.

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 July 2013(Unaudited)

	Notes	3 months ended 31 July	
		2013 KD	2012 KD
OPERATING ACTIVITIES			
Profit for the period		413,348	123,646
Adjustments for:			
Finance cost		1,200,959	1,771,507
Depreciation		222,096	216,819
Employees' end of service benefits		20,184	82,637
Realised gain on sale of investments available for sale (others)		(711,555)	(848,789)
Impairment of investment available for sale (others)	4	127,020	478,071
Other income		(109,424)	(176,309)
Share of results of associates		(599,065)	(305,373)
Foreign exchange (gain) loss		24,533	(189,035)
		<u>588,096</u>	<u>1,153,174</u>
Operating assets and liabilities:			
Accounts receivable and prepayments		1,866,459	339,715
Inventories		601,248	(498,075)
Accounts payable and accruals		(4,087,227)	249,360
Taxation paid		(271,091)	(232,920)
Net cash (used in) from operating activities		<u>(1,302,515)</u>	<u>1,011,254</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(300,820)	(1,459)
Additions to investments available for sale (others)		-	(723,125)
Proceeds from sale of investments available for sale (others)		1,693,026	4,855,514
Dividend received from associates		1,087,498	-
Additions to investment in associates		(668,792)	-
Net cash from investing activities		<u>1,810,912</u>	<u>4,130,930</u>
FINANCING ACTIVITIES			
Dividends paid		(20,002,682)	(12,571,915)
Net movement in term loans		3,761,222	380,864
Net movement in islamic financing payables		(450,000)	(1,000,000)
Finance cost paid		(1,300,646)	(1,424,999)
Purchase of treasury shares		(210,224)	(2,312,269)
Net cash used in financing activities		<u>(18,202,330)</u>	<u>(16,928,319)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(17,693,933)</u>	<u>(11,786,135)</u>
Cash and cash equivalents as at the beginning of the period		<u>21,052,346</u>	<u>35,469,950</u>
CASH AND CASH EQUIVALENTS AS AT 31 JULY		<u><u>3,358,413</u></u>	<u><u>23,683,815</u></u>

The attached notes 1 to 11 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2013 (Unaudited)

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Boubyan Petrochemical Company K.S.C. (the “parent company”) and its subsidiaries (the “group”) for the three month period ended 31 July 2013 were authorised for issue in accordance with a resolution of the directors on 10 September 2013.

The parent company is a Kuwaiti Public Shareholding Company incorporated in the State of Kuwait on 12 February 1995 under the Commercial Companies Law No. 15 of 1960 and amendments thereto. The parent company is listed on the Kuwait Stock Exchange. The parent company’s registered office is at Al Khaleejia Building, 5th and 6th Floor, P.O. Box 2383, 13024 Safat, Kuwait. The principal activities of the group are explained in note 7.

The principal objectives of the parent company include the following:

- To manufacture all kinds of petrochemical material and their derivatives.
- To sell, purchase, supply, distribute, export and store such materials and to participate in related activities including establishing and leasing the required services inside or outside Kuwait either as a principal or as an agent.
- Participating in, acquiring or taking over companies of similar activities or those that would facilitate in achieving the parent company’s objectives inside or outside Kuwait.
- Investing the surplus funds in investment portfolios.

The parent company’s primary investment to date is in Equate Petrochemical Company K.S.C. (Closed) (“Equate”) and The Kuwait Olefins Company K.S.C. (Closed) (“TKOC”). Equate and TKOC are both closed shareholding companies incorporated in the State of Kuwait to build and operate petrochemical plants in the Shuaiba Industrial Area of State of Kuwait.

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the “Companies Law”), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no 97 of 2013 (the Decree).

According to article 2 and 3 of the Decree, Executive Regulations which shall be issued by the Ministry of Commerce and Industry by 26 September 2013 will determine the basis and rules which the Parent Company shall adopt to regularise its affairs with the Companies Law, as amended.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard IAS 34: Interim Financial Reporting (IAS 34).

The interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the interim condensed consolidated financial information. Operating results for the period ended 31 July 2013 are not necessarily indicative of the results that may be expected for the financial year ending 30 April 2014. For more details, please refer to the audited consolidated financial statements for the year ended 30 April 2013.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”).

Changes in accounting policy and disclosures

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 30 April 2013, except for the adoption of the following new and amended International Accounting Standards Board (“IASB”) standards during the period:

2 BASIS OF PREPARATION (continued)

Changes in accounting policy and disclosures (continued)

IFRS 7: Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendment) (effective for annual periods beginning on or after 1 January 2013)

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments has no impact the group's financial position or performance.

IFRS 10: Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements' and SIC-12 Consolidation - Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure or rights, to variable returns from its involvement with the investee and 3) the ability to use its power over the investee to affect the amount of the returns. The adoption of this standard has not resulted in any impact on the financial position or performance of the group.

IFRS 11: Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The application of this new standard has no impact the financial position or performance of the group.

IFRS 12: Disclosure of Involvement with Other Entities (effective for annual periods beginning on or after 1 January 2013)

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but has no impact on the group's financial position or performance.

IFRS 13: Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The adoption of this standard has no material impact on the financial position, performance and disclosures of the group. The group provides these disclosures in note 11.

IAS 1: Financial Statement Presentation – Presentation of Items of Other Comprehensive Income (Amendment) (effective for annual periods beginning on or after 1 July 2012)

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The adoption of this standard has no effect on the financial position or performance of the group and only resulted in presentation changes in statement of comprehensive income.

IAS 1 Clarification of the requirement for comparative information (Amendment)

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2013 (Unaudited)

2 BASIS OF PREPARATION (continued)

Changes in accounting policy and disclosures (continued)

IAS 19: Employee Benefits (Amendment) (effective for annual periods beginning on or after 1 January 2013)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment has no impact on the group's financial position or performance.

IAS 28: Investments in Associates and Joint Ventures (Amendment) (effective for annual periods beginning on or after 1 January 2013)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment has no impact the group's financial position or performance.

IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The group provides this disclosure as total segment assets and total segment liabilities were reported to the chief operating decision maker. This amendment has no impact the group's financial position or performance.

The adoption of the above mentioned amendments did not have any impact on the financial position or performance of the group. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding after adjusting for treasury shares as follows:

	<i>3 months ended 31 July</i>	
	<i>2013</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>
Profit attributable to equity holders of the parent company	<u>385,295</u>	<u>101,000</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	<u>485,100,000</u>	<u>485,100,000</u>
Weighted average number of treasury shares	<u>(6,959,168)</u>	<u>(3,458,548)</u>
Weighted average number of shares for basic and diluted earnings per share	<u>478,140,832</u>	<u>481,641,452</u>
Basic and diluted earnings per share	<u>0.81 fils</u>	<u>0.21 fils</u>

4 INVESTMENTS AVAILABLE FOR SALE (OTHERS)

Management of the parent company has performed a review of investments to assess whether impairment has occurred in the value of these investments. Based on specific information, management has recorded impairment loss of KD 127,020 (three months ended 31 July 2012: KD 478,071) in the profit for the period in respect of investments available for sale (others).

At 31 July 2013, certain unquoted investments available for sale amounting to KD 27,078,187 (30 April 2013: KD 27,078,187 and 31 July 2012: KD 27,401,192) are carried at cost due to the non availability of reliable measures of their fair values. The management is not aware of any circumstances that would indicate impairment in the value of these investments as at 31 July 2013.

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2013 (Unaudited)

5 TREASURY SHARES

	<i>31 July</i> <i>2013</i>	<i>(Audited)</i> <i>30 April</i> <i>2013</i>	<i>31 July</i> <i>2012</i>
Number of treasury shares	<u>7,073,299</u>	<u>6,773,299</u>	<u>5,696,959</u>
Percentage of issued shares	<u>1.46%</u>	<u>1.40%</u>	<u>1.17%</u>
Market value (KD)	<u>4,385,445</u>	<u>4,334,911</u>	<u>3,133,327</u>

6 DIVIDENDS AND ANNUAL GENERAL ASSEMBLY

On 12 June 2013, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 April 2013 and approved a cash dividend of 45 fils per share (2012: 40 fils per share) on outstanding shares (excluding treasury shares) amounting to KD 21,511,202 (2012: KD 19,181,577 in respect of the year ended 30 April 2012) in respect of the year ended 30 April 2013.

7 SEGMENTAL INFORMATION

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on a gross profit or loss for manufacturing and trading segments and return on investment for investment segment.

For management purposes, the group is organised into two major business segments. The group does not have material inter-segment transactions. The principal activities and services under these segments are as follows:

Investments : Investing of group funds in Petrochemical (Equate and TKOC), Industrial, Utilities, Services and other related sectors in addition to managing the Group's liquidity requirements.

Manufacturing and trading : Manufacturing of goods and providing services.

Manufacturing and trading activities represent the activities of the subsidiaries, namely, Boubyan Plastic Industries Company K.S.C. (Closed), National Waste Management Co. K.S.C. (Closed), Olayan Arabian Packaging Company L.L.C. and Muna Noor Manufacturing and Trading Co L.L.C.; whereas the investment activity represents the activities of the Parent Company.

The following table present information relating to the revenue and profit before taxation of the group's operating segments for the three months ended 31 July 2013 and 31 July 2012, respectively:

	<i>Investments</i> <i>KD</i>	<i>Manufacturing</i> <i>and trading</i> <i>KD</i>	<i>Consolidated</i> <i>KD</i>
<i>3 months ended 31 July 2013</i>			
Segment revenue	<u>1,314,420</u>	<u>7,646,506</u>	<u>8,960,926</u>
Segment (loss) profit	<u>(141,724)</u>	<u>555,072</u>	<u>413,348</u>
<i>3 months ended 31 July 2012</i>			
Segment revenue	<u>1,435,382</u>	<u>6,053,327</u>	<u>7,488,709</u>
Segment (loss) profit	<u>(650,839)</u>	<u>774,485</u>	<u>123,646</u>

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2013 (Unaudited)

7 SEGMENTAL INFORMATION (continued)

The following table presents segment assets and liabilities of the group's operating segments as at 31 July 2013, 30 April 2013 and 31 July 2012 respectively:

	<i>Investments KD</i>	<i>Manufacturing and trading KD</i>	<i>Consolidated KD</i>
As at 31 July 2013			
Total assets	<u>353,796,222</u>	<u>36,416,962</u>	<u>390,213,184</u>
Total liabilities	<u>116,012,074</u>	<u>15,977,794</u>	<u>131,989,868</u>
As at 30 April 2013			
Total assets	<u>372,918,037</u>	<u>38,517,128</u>	<u>411,435,165</u>
Total liabilities	<u>113,121,878</u>	<u>18,130,070</u>	<u>131,251,948</u>
As at 31 July 2012			
Total assets	<u>374,849,115</u>	<u>37,736,283</u>	<u>412,585,398</u>
Total liabilities	<u>137,798,521</u>	<u>17,600,567</u>	<u>155,399,088</u>

8 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 July 2013 KD</i>	<i>(Audited) 30 April 2013 KD</i>	<i>31 July 2012 KD</i>
Acquisition of investments	<u>743,133</u>	<u>743,003</u>	<u>735,700</u>

The parent company has given corporate guarantees amounting to KD 12,965,359 to foreign banks on behalf of its subsidiaries.

9 RELATED PARTY TRANSACTIONS

These represent transactions with related parties i.e. associated companies, major shareholders, directors and key management personnel of the parent company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the parent company's management.

Transactions with related parties included in the interim condensed consolidated financial statements are as follows:

	<i>Other related parties KD</i>	<i>3 months ended 31 July</i>	
		<i>2013 KD</i>	<i>2012 KD</i>
Sales	276,454	276,454	240,492
Purchases	115,335	115,335	-

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2013 (Unaudited)

9 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>3 months ended 31 July</i>	
	<i>2013</i>	<i>2012</i>
	<i>KD</i>	<i>KD</i>
Short-term benefits	40,500	40,500
Employees' end of service benefits	3,159	3,159
	<u>43,659</u>	<u>43,659</u>

10 DERIVATIVE FINANCIAL INSTRUMENTS

The table below shows the fair values of the derivative financial instruments, recorded as assets or liabilities, together with their notional amounts analysed by the term to maturity. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk:

	<i>Positive fair value</i>	<i>Negative fair value</i>	<i>Notional amount</i>	<i>Notional amounts by term to maturity</i>	
				<i>Within one year</i>	<i>1 – 5 years</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
31 July 2013					
<i>Derivatives held for trading:</i>					
Interest rate swaps	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30 April 2013 (Audited)					
<i>Derivatives held for trading:</i>					
Interest rate swaps	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 July 2012					
<i>Derivatives held for trading:</i>					
Interest rate swaps	-	422,927	23,833,225	23,833,225	-
	<u>-</u>	<u>422,927</u>	<u>23,833,225</u>	<u>23,833,225</u>	<u>-</u>

Boubyan Petrochemical Company K.S.C. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2013 (Unaudited)

11 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of financial instruments, with the exception of certain investments available for sale carried at cost are not materially different from their carrying values.

Fair value hierarchy

The group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities:

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level: 1</i> <i>KD</i>	<i>Level: 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
31 July 2013			
Financial assets			
<i>Investments available for sale (others)</i>			
Quoted investments	2,296,507	-	2,296,507
Unquoted investments	-	40,854,061	40,854,061
	<u>2,296,507</u>	<u>40,854,061</u>	<u>43,150,568</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	136,150,608	136,150,608
	<u>-</u>	<u>136,150,608</u>	<u>136,150,608</u>
<i>Investments carried at fair value through income statement</i>			
Unquoted investments	-	100,998,029	100,998,029
	<u>-</u>	<u>100,998,029</u>	<u>100,998,029</u>

During the period, there have been no transfers between the hierarchies.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and financial liabilities which are recorded at fair value.

	<i>At 1 May</i> <i>2013</i> <i>KD</i>	<i>Unrealised loss</i> <i>recorded in</i> <i>other</i> <i>comprehensive</i> <i>income</i> <i>KD</i>	<i>At 31 July</i> <i>2013</i> <i>KD</i>
Three months ended 31 July 2013			
Unquoted investments available for sale (others)	41,035,296	(181,235)	40,854,061
Unquoted investments available for sale (Equate)	136,150,608	-	136,150,608
Unquoted investments carried at fair value through income statement (designated)	100,998,029	-	100,998,029