

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

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

31 JULY 2014



Building a better
working world

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Petrochemical Company K.S.C.P. (the "parent company") and its subsidiaries (the "group") as at 31 July 2014 and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income, interim condensed consolidated statements of changes in equity and cash flows for the three month 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 International Financial Reporting Standard 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 parent company's Memorandum of Incorporation and Articles of Association, as amended, during the three month period ended 31 July 2014 that might have had a material effect on the business of the parent company or on its financial position.

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

9 September 2014
Kuwait

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 July 2014 (Unaudited)

	Notes	3 months ended 31 July	
		2014 KD	2013 KD Restated*
Sales		6,614,434	7,625,600
Cost of sales		(5,765,740)	(6,477,163)
GROSS PROFIT		848,694	1,148,437
Dividend income		16,608	3,800
Realised gain on sale of investments available for sale (others)		198,153	711,555
Share of results of associates		702,966	599,065
Other income		642,337	102,523
General and administrative expenses		(811,850)	(770,039)
Finance cost		(628,023)	(1,200,959)
Foreign exchange loss		(155,091)	(24,533)
Profit before impairment of investments available for sale		813,794	569,849
Impairment of investments available for sale (others)	4	-	(127,020)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		813,794	442,829
Taxation		384,661	-
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		1,198,455	442,829
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	10	-	(29,481)
PROFIT FOR THE PERIOD		1,198,455	413,348

* Certain amounts do not correspond to the interim condensed consolidated financial statements as at 31 July 2013 and reflect adjustments made due to the discontinued operations (Note 10).

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 July 2014 (Unaudited)

	Notes	3 months ended 31 July	
		2014 KD	2013 KD Restated*
PROFIT FOR THE PERIOD		1,198,455	413,348
Other comprehensive income (loss)			
<i>Other comprehensive income not to be reclassified to statement of income in subsequent periods:</i>			
Realised gain on sale of investments available for sale (others)		(198,153)	(711,555)
Transfer to statement of income for the period on impairment of investments available for sale (others)	4	-	127,020
Net other comprehensive income not to be reclassified to statement of income in subsequent periods		(198,153)	(584,535)
<i>Other comprehensive income (loss) to be reclassified to statement of income in subsequent periods:</i>			
Unrealised gain (loss) on investments available for sale (others)		411,617	(67,288)
Share of other comprehensive income of associates		165,250	-
Net other comprehensive income (loss) to be reclassified to statement of income in subsequent periods		576,867	(67,288)
OTHER COMPREHENSIVE INCOME (LOSS)		378,714	(651,823)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		1,577,169	(238,475)
Profit attributable to:			
Equity holders of the parent company		1,149,871	385,295
Non-controlling interests		48,584	28,053
		1,198,455	413,348
Total comprehensive income (loss) attributable to:			
Equity holders of the parent company		1,528,585	(266,697)
Non-controlling interests		48,584	28,222
		1,577,169	(238,475)
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	2.29 fils	0.77 fils
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY FROM CONTINUING OPERATIONS	3	2.29 fils	0.80 fils

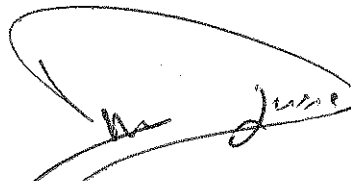
* Certain amounts do not correspond to the interim condensed consolidated financial statements as at 31 July 2013 and reflect adjustments made due to the discontinued operations (Note 10).


Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 July 2014 (Unaudited)

		<i>(Audited)</i>	
	<i>31 July</i>	<i>30 April</i>	<i>31 July</i>
	<i>2014</i>	<i>2014</i>	<i>2013</i>
<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
ASSETS			
Cash and cash equivalents	3,396,344	21,075,374	3,358,413
Accounts receivable and prepayments	9,647,921	9,960,772	9,478,238
Inventories	6,095,050	5,640,731	4,812,422
Investments carried at fair value through income statement	100,998,029	100,998,029	100,998,029
Investments available for sale (Equate)	141,456,608	141,456,608	136,150,608
Investments available for sale (others) 4	55,217,927	56,277,533	70,228,755
Investment in associates	33,493,138	33,407,365	33,426,501
Exchange of deposits	-	-	5,152,932
Property, plant and equipment	19,630,773	19,632,337	20,604,822
Goodwill	6,002,464	6,002,464	6,002,464
TOTAL ASSETS	375,938,254	394,451,213	390,213,184
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans	56,746,634	53,862,628	54,572,049
Islamic financing payables	37,272,015	37,237,530	62,257,487
Accounts payable and accruals	9,494,652	11,853,635	10,538,413
Dividend payable	5,226,966	3,161,614	4,621,919
Total liabilities	108,740,267	106,115,407	131,989,868
EQUITY			
Share capital	50,935,500	48,510,000	48,510,000
Share premium	2,400,000	2,400,000	2,400,000
Treasury shares 5	(4,676,586)	(4,676,586)	(4,068,564)
Treasury shares reserve	998,971	998,971	998,971
Statutory reserve	24,255,000	24,255,000	24,255,000
Voluntary reserve	24,255,000	24,255,000	24,255,000
Other reserves	50,516	(181,744)	(181,744)
Revaluation reserve	5,106,784	5,106,784	5,806,784
Cumulative changes in fair value	116,411,251	116,032,537	111,489,117
Retained earnings	47,461,551	70,203,584	43,265,814
Equity attributable to equity holders of the parent company	267,197,987	286,903,546	256,730,378
Non-controlling interests	-	1,432,260	1,492,938
Total equity	267,197,987	288,335,806	258,223,316
TOTAL LIABILITIES AND EQUITY	375,938,254	394,451,213	390,213,184


 Dabbous M. Al-Dabbous
 (Chairman)


 Khaled A. Al-Ghanim
 (Deputy Chairman)

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 July 2014 (Unaudited)

	<i>Attributable to shareholders of the parent company</i>										<i>Non-controlling interests</i>		<i>Total equity</i>		
	<i>Share capital</i> KD	<i>Share premium</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Statutory reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Other reserves</i> KD	<i>Revaluation reserve</i> KD	<i>Cumulative changes in fair value</i> KD	<i>Retained earnings</i> KD	<i>Sub Total</i> KD	KD	KD	KD	KD
Balance at 1 May 2014	48,510,000	2,400,000	(4,676,586)	998,971	24,255,000	24,255,000	(181,744)	5,106,784	116,032,537	70,203,584	286,903,546	1,432,260	288,335,806		
Profit for the period	-	-	-	-	-	-	-	-	-	1,149,871	1,149,871	48,584	1,198,455		
Other comprehensive income	-	-	-	-	-	-	-	378,714	-	-	378,714	-	378,714		
Total comprehensive income for the period	-	-	-	-	-	-	-	378,714	-	1,149,871	1,528,585	48,584	1,577,169		
Issues of bonus shares (note 6)	2,425,500	-	-	-	-	-	-	-	(2,425,500)	(2,425,500)	-	-	-		
Dividends (note 6)	-	-	-	-	-	-	-	-	(21,466,404)	(21,466,404)	-	-	(21,466,404)		
Acquisition of non-controlling interests (note 12)	-	-	-	-	-	-	232,260	-	-	-	232,260	(1,480,844)	(1,248,584)		
Balance at 31 July 2014	50,935,500	2,400,000	(4,676,586)	998,971	24,255,000	24,255,000	50,516	5,106,784	116,411,251	47,461,551	267,197,987	-	267,197,987		
Balance at 1 May 2013	48,510,000	2,400,000	(3,858,340)	998,971	24,255,000	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 (loss) income	-	-	-	-	-	-	-	(651,992)	-	-	(651,992)	169	(651,823)		
Total comprehensive (loss) income 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	24,255,000	(181,744)	5,806,784	111,489,117	43,265,814	256,730,378	1,492,938	258,223,316		

During the three months ended 31 July 2014, unrealised gain on investments available for sale (others) include an amount of KD 157,438 (three months ended 31 July 2013: unrealised loss amounting to KD 94,349) in respect of foreign currency movement.

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 July 2014 (Unaudited)

	Notes	3 months ended 31 July	
		2014 KD	2013 KD Restated*
OPERATING ACTIVITIES			
Profit for the period before taxation		813,794	442,829
Loss for the period from discontinued operations	10	-	(29,481)
Profit for the period		813,794	413,348
Adjustments for:			
Finance cost		628,023	1,200,959
Depreciation		181,879	222,096
Employees' end of service benefits		50,835	20,184
Realised gain on sale of investments available for sale (others)		(198,153)	(711,555)
Impairment of investment available for sale (others)	4	-	127,020
Share of results of associates		(702,966)	(599,065)
		773,412	672,987
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		713,026	1,757,035
Inventories		(454,319)	601,248
Accounts payable and accruals		(2,358,983)	(4,087,227)
Taxation refund (paid)		268,627	(271,091)
Net cash flows used in operating activities		(1,058,237)	(1,327,048)
INVESTING ACTIVITIES			
Acquisition of non-controlling interests	12	(1,200,000)	-
Purchase of property, plant and equipment		(185,693)	(300,820)
Proceeds from sale of property, plant and equipment		1,177	-
Proceeds from sale of investments available for sale (others)		1,406,810	1,693,026
Dividend received from associates		873,481	1,087,498
Additions to investment in associates		-	(668,792)
Net cash flows from investing activities		895,775	1,810,912
FINANCING ACTIVITIES			
Dividends paid		(19,401,052)	(20,002,682)
Net movement in term loans		2,637,859	3,761,222
Net movement in islamic financing payables		-	(450,000)
Finance cost paid		(598,284)	(1,300,646)
Purchase of treasury shares		-	(210,224)
Net cash flows used in financing activities		(17,361,477)	(18,202,330)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(17,523,939)	(17,718,466)
Cash and cash equivalents as at 1 May		21,075,374	21,052,346
Foreign exchange (gain) loss		(155,091)	24,533
CASH AND CASH EQUIVALENTS AS AT 31 JULY		3,396,344	3,358,413

* Certain amounts do not correspond to the interim condensed consolidated financial statements as at 31 July 2013 and reflect adjustments made due to the discontinued operations (Note 10).

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Boubyan Petrochemical Company K.S.C.P. (the “parent company”) and its subsidiaries (the “group”) for the three month period ended 31 July 2014 were authorised for issue in accordance with a resolution of the board of directors on 9 September 2014.

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 the State of Kuwait.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 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 2014 are not necessarily indicative of the results that may be expected for the financial year ending 30 April 2015. For more details, please refer to the audited consolidated financial statements for the year ended 30 April 2014.

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

2.2 STATEMENT OF COMPLIANCE

The new Companies Law issued on 26 November 2012 by Decree Law no. 25 of 2012 (the “Companies Law”), 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). The Executive Regulations of the new amended law issued on 29 September 2013 and was published in the official gazette on 6 October 2013. As per article three of the executive regulations, companies have one year from the date of publishing the Executive Regulations to comply with the new amended law.

2.3 CHANGES IN ACCOUNTING POLICIES 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 consolidated financial statements for the year ended 30 April 2014, except for the adoption of the following new and amended International Accounting Standards Board (“IASB”) standards during the period:

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments did not have a material impact on the group, since none of the entities in the group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments are effective for annual periods beginning on or after 1 January 2014 and clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments did not have a material impact on the group's financial position or performance.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments did not have a material impact on 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.

2.4 IASB STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following IASB standards and interpretations relevant to the group have been issued but are not yet mandatory, and have not yet been adopted by the group:

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, but early adoption is permitted. The adoption of IFRS 9, particularly the expected credit losses requirements, will require many entities to make significant changes to their current systems and processes. Early impact assessment and planning will be key to managing successful implementation. The group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 15 – Revenue from Contracts with customers (“IFRS 15”)

IFRS 15 that was issued by IASB on 28 May 2014 is effective for annual periods beginning on or after 1 January 2017. IFRS 15 supersedes IAS 11 – Construction Contracts and IAS 18 – Revenue along with related IFRIC 13, IFRS 15, IFRIC 18 and SIC 31 from the effective date. This new standard would remove inconsistencies and weaknesses in previous revenue requirements, provide a more robust framework for addressing revenue issues and improve comparability of revenue recognition practices across entities, industries, jurisdictions and capital markets. The group is in the process of evaluating the effect of IFRS 15 on the group and do not expect any significant impact on adoption of this standard.

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

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>Three months ended 31 July</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
Profit from continuing operations	1,149,871	400,036
Loss from discontinued operations	-	(14,741)
Profit attributable to equity holders of the parent company	<u>1,149,871</u>	<u>385,295</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	509,355,000	509,355,000
Weighted average number of treasury shares	(8,104,250)	(6,959,168)
Weighted average number of shares for basic and diluted earnings per share	<u>501,250,750</u>	<u>502,395,832</u>
Basic and diluted earnings per share attributable to equity holders of the parent company	<u>2.29 fils</u>	<u>0.77 fils</u>
Basic and diluted earnings per share from continuing operations	<u>2.29 fils</u>	<u>0.80 fils</u>

In accordance with International Accounting Standard 33 "Earnings per share", number of shares for the period ended 31 July 2013 has been restated for the issue of bonus shares (Note 6).

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 Nil (three months ended 31 July 2013: KD 127,020) in the interim condensed consolidated statement of income for the period in respect of investments available for sale (others).

As at 31 July 2014, certain unquoted investments available for sale amounting to KD 26,676,629 (30 April 2014: KD 26,676,629 and 31 July 2013: KD 27,078,187) are carried at cost due to the nonavailability 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 2014.

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

5 TREASURY SHARES

	<i>31 July</i> <i>2014</i>	<i>(Audited)</i> <i>30 April</i> <i>2014</i>	<i>31 July</i> <i>2013</i>
Number of treasury shares	<u>8,472,222</u>	<u>8,068,783</u>	<u>7,073,299</u>
Percentage of issued shares	<u>1.66%</u>	<u>1.66%</u>	<u>1.46%</u>
Market value (KD)	<u>6,523,611</u>	<u>5,970,900</u>	<u>4,385,445</u>

6 DIVIDENDS AND ANNUAL GENERAL ASSEMBLY

On 25 June 2014, the shareholders at the annual general assembly of the parent company approved the consolidated financial statements for the year ended 30 April 2014 and approved a cash dividend of 45 fils per share (2013: 45 fils per share) on outstanding shares (excluding treasury shares) amounting to KD 21,466,404 in respect of the year ended 30 April 2014 (KD 21,511,202 in respect of the year ended 30 April 2013).

The shareholders also approved 24,255,000 bonus shares at 5% (2013: Nil) amounting to KD 2,425,500 in respect of the year ended 30 April 2014 (KD Nil 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.

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:

Energy and Petrochemicals : Direct investment stakes in this sector comprising of basic materials (Equate, TKOC, Banagas and others), manufacturing activities of subsidiaries: Muna Noor Manufacturing & Trading Co. L.L.C., Oman, Olayan Packaging Co. L.L.C., Boubyan Plastics Industries Co. K.S.C. (Closed) and Energy (Power distribution and District cooling).

Others : Investing directly and through portfolios into shipping, services, funds etc.

	<i>Energy, manufacturing and petrochemical sector KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>Three months ended 31 July 2014</i>			
Segment revenue	<u>7,295,564</u>	<u>236,598</u>	<u>7,532,162</u>
Segment (loss) profit	<u>(60,291)</u>	<u>1,258,746</u>	<u>1,198,455</u>
<i>Three months ended 31 July 2013</i>			
Segment revenue	<u>8,023,775</u>	<u>916,246</u>	<u>8,940,021</u>
Segment (loss) profit	<u>(644,844)</u>	<u>1,058,192</u>	<u>413,348</u>

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

7 SEGMENTAL INFORMATION (continued)

	<i>Energy, manufacturing and petrochemical sector KD</i>	<i>Others KD</i>	<i>Total KD</i>
As at 31 July 2014			
Total assets	<u>336,297,064</u>	<u>39,641,190</u>	<u>375,938,254</u>
Total liabilities	<u>97,360,834</u>	<u>11,379,433</u>	<u>108,740,267</u>
As at 30 April 2014			
Total assets	<u>354,956,648</u>	<u>39,494,565</u>	<u>394,451,213</u>
Total liabilities	<u>95,490,565</u>	<u>10,624,842</u>	<u>106,115,407</u>
As at 31 July 2013			
Total assets	<u>329,016,229</u>	<u>61,196,955</u>	<u>390,213,184</u>
Total liabilities	<u>111,289,957</u>	<u>20,699,911</u>	<u>131,989,868</u>

8 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 July 2014 KD</i>	<i>(Audited) 30 April 2014 KD</i>	<i>31 July 2013 KD</i>
Acquisition of investments	<u>739,612</u>	<u>734,786</u>	<u>743,133</u>

The parent company has given corporate guarantees amounting to KD 10,533,850 (30 April 2014: KD 14,457,597, 31 July 2013: 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>Three months ended 31 July</i>	
		<i>2014 KD</i>	<i>2013 KD</i>
Sales	313,112	313,112	276,454
Purchases	151,099	151,099	115,335

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

9 RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

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

	<i>Three months ended 31 July</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
Short-term benefits	252,600	40,500
Employees' end of service benefits	3,116	3,159
	<u>255,716</u>	<u>43,659</u>

10 DISCONTINUED OPERATIONS

On 9 February 2014, the Group sold its entire investment (50%) in its subsidiary, National Waste Management Company (NWMC), for a cash consideration of KD 1,500,000. For more details regarding this transaction, please refer to the audited consolidated financial statements for the year ended 30 April 2014.

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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	Level 1 KD	Level 3 KD	Total fair value KD
31 July 2014			
Financial assets			
<i>Investments available for sale (others)</i>			
Quoted investments	1,549,074	-	1,549,074
Unquoted investments	-	26,992,224	26,992,224
	<u>1,549,074</u>	<u>26,992,224</u>	<u>28,541,298</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	141,456,608	<u>141,456,608</u>
<i>Investments carried at fair value through income statement</i>			
Unquoted investments	-	100,998,029	<u>100,998,029</u>
	Level 1 KD	Level 3 KD	Total fair value KD
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	<u>136,150,608</u>
<i>Investments carried at fair value through income statement</i>			
Unquoted investments	-	100,998,029	<u>100,998,029</u>

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

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.

Three months ended	<i>At</i>	<i>Gain</i>	<i>Gain</i>	<i>Net</i>	<i>At</i>
31 July 2014	<i>1 May 2014</i>	<i>recorded in</i>	<i>recorded</i>	<i>purchases,</i>	<i>31 July 2014</i>
	<i>KD</i>	<i>the statement</i>	<i>in other</i>	<i>transfer,</i>	<i>KD</i>
		<i>of income</i>	<i>comprehensive</i>	<i>sales and</i>	
		<i>KD</i>	<i>income</i>	<i>settlements</i>	
			<i>KD</i>	<i>KD</i>	
<i>Unquoted investments available for sale (others)</i>	27,788,189	264,867	73,497	(1,134,329)	26,992,224
<i>Unquoted investments available for sale (Equate)</i>	141,456,608	-	-	-	141,456,608
<i>Unquoted investments carried at fair value through income statement (designated)</i>	100,998,029	-	-	-	100,998,029

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 July 2014 (Unaudited)

11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

<i>Three months ended 31 July 2013</i>	<i>At 1 May 2013 KD</i>	<i>Loss recorded in other comprehensive income KD</i>	<i>Impairment loss recorded in the statement of income KD</i>	<i>At 31 July 2013 KD</i>
<i>Unquoted investments available for sale (others)</i>	41,035,296	(54,215)	(127,020)	40,854,061
<i>Unquoted investments available for sale (Equity)</i>	136,150,608	-	-	136,150,608
<i>Unquoted investments carried at fair value through income statement (designated)</i>	100,998,029	-	-	100,998,029

12 ACQUISITION OF NON-CONTROLLING INTERESTS

On 23 July 2014, the Group acquired an additional 40% interest in Olayan Arabian Packaging Company (“Olayan”) for the consideration paid of SAR 16,000,000 (KD 1,200,000), increasing its ownership interest to 100%.