

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

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

**31 OCTOBER 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 October 2014 and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six 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 six months period ended 31 October 2014 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 violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six months period ended 31 October 2014 that might have had a material effect on the business of 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

14 December 2014  
Kuwait

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 October 2014 (Unaudited)

	Notes	3 months ended 31 October		6 months ended 31 October	
		2014 KD	2013 KD Restated*	2014 KD	2013 KD Restated*
Sales		7,761,911	7,664,372	14,376,345	15,289,972
Cost of sales		(6,733,152)	(6,628,238)	(12,498,892)	(13,105,401)
<b>GROSS PROFIT</b>		<b>1,028,759</b>	1,036,134	<b>1,877,453</b>	2,184,571
Dividend income		40,359	-	56,967	3,800
Realised gain on investments available for sale (others)		9,189	1,558,208	207,342	2,269,763
Share of results of associates		777,263	95,772	1,480,229	694,837
Other income		25,094	197,003	667,431	299,526
General and administrative expenses		(825,725)	(801,495)	(1,637,575)	(1,571,534)
Finance cost		(630,877)	(1,158,261)	(1,258,900)	(2,359,220)
Foreign exchange gain (loss)		117,044	(17,218)	(38,047)	(41,751)
<b>Profit before impairment of investments available for sale</b>		<b>541,106</b>	910,143	<b>1,354,900</b>	1,479,992
Impairment of investments available for sale (others)	4	-	(750,000)	-	(877,020)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>541,106</b>	160,143	<b>1,354,900</b>	602,972
Taxation		-	-	384,661	-
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>541,106</b>	160,143	<b>1,739,561</b>	602,972
<b>DISCONTINUED OPERATIONS</b>					
Loss for the period from discontinued operation	10	-	(24,824)	-	(54,305)
<b>PROFIT FOR THE PERIOD</b>		<b>541,106</b>	135,319	<b>1,739,561</b>	548,667

\* Certain amounts do not correspond to the interim condensed consolidated financial information as at 31 October 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 October 2014 (Unaudited)

	Note	3 months ended 31 October		6 months ended 31 October	
		2014 KD	2013 KD Restated*	2014 KD	2013 KD Restated*
<b>PROFIT FOR THE PERIOD</b>		<b>541,106</b>	135,319	<b>1,739,561</b>	548,667
<b>Other comprehensive income</b>					
<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)		(9,189)	(1,558,208)	(207,342)	(2,269,763)
Transfer to statement of income for the period on impairment of investments available for sale (others)		-	750,000	-	877,020
<b>Net other comprehensive income not to be reclassified to statement of income in subsequent periods</b>		<b>(9,189)</b>	(808,208)	<b>(207,342)</b>	(1,392,743)
<i>Other comprehensive income to be reclassified to statement of income in subsequent periods:</i>					
Unrealised gain on investments available for sale (others)		773,718	1,014,029	1,185,335	946,741
Share of ineffective portion of fair value hedge		(202,143)	-	(202,143)	-
Share of other comprehensive income of associates		55,111	310,960	220,361	310,960
Others		-	(10,903)	-	(10,903)
<b>Net other comprehensive income to be reclassified to statement of income in subsequent periods</b>		<b>626,686</b>	1,314,086	<b>1,203,553</b>	1,246,798
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		<b>617,497</b>	505,878	<b>996,211</b>	(145,945)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,158,603</b>	641,197	<b>2,735,772</b>	402,722
<b>Profit attributable to:</b>					
Equity holders of the Parent Company		541,106	99,728	1,690,977	485,023
Non-controlling interests		-	35,591	48,584	63,644
		<b>541,106</b>	135,319	<b>1,739,561</b>	548,667
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Parent Company		1,158,603	616,679	2,687,188	349,981
Non-controlling interests		-	24,518	48,584	52,741
		<b>1,158,603</b>	641,197	<b>2,735,772</b>	402,722
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	3	<b>1.08 fils</b>	0.20 fils	<b>3.37 fils</b>	0.97 fils
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY FROM CONTINUING OPERATIONS</b>	3	<b>1.08 fils</b>	0.22 fils	<b>3.37 fils</b>	1.02 fils

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

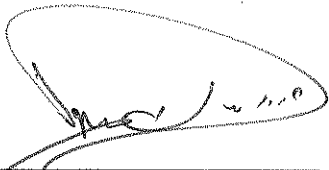
The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

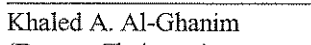
# Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 October 2014 (Unaudited)

		(Audited)	
	31 October	30 April	31 October
	2014	2014	2013
Notes	KD	KD	KD
<b>ASSETS</b>			
Cash and cash equivalents	2,351,542	21,075,374	2,675,437
Accounts receivable and prepayments	11,142,757	9,960,772	10,207,398
Inventories	5,591,636	5,640,731	4,447,097
Investments carried at fair value through income statement	100,998,029	100,998,029	100,998,029
Investments available for sale (Equate) 4	142,180,871	141,456,608	136,150,608
Investments available for sale (others) 4	55,016,466	56,277,533	63,428,365
Investment in associates	34,600,900	33,407,365	33,483,732
Exchange of deposits	-	-	4,946,539
Property, plant and equipment	19,805,098	19,632,337	21,184,159
Goodwill	6,002,464	6,002,464	6,002,464
<b>TOTAL ASSETS</b>	<b>377,689,763</b>	<b>394,451,213</b>	<b>383,523,828</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Term loans	60,058,355	53,862,628	49,128,087
Islamic financing payables	35,797,000	37,237,530	62,133,437
Accounts payable and accruals	9,307,328	11,853,635	9,564,094
Dividend payable	4,170,490	3,161,614	3,833,697
<b>Total liabilities</b>	<b>109,333,173</b>	<b>106,115,407</b>	<b>124,659,315</b>
<b>EQUITY</b>			
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	117,028,748	116,032,537	112,006,067
Retained earnings	48,002,657	70,203,584	43,365,542
Equity attributable to equity holders of the Parent Company	268,356,590	286,903,546	257,347,056
Non-controlling interests	-	1,432,260	1,517,457
<b>Total equity</b>	<b>268,356,590</b>	<b>288,335,806</b>	<b>258,864,513</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>377,689,763</b>	<b>394,451,213</b>	<b>383,523,828</b>

  
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 October 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>		<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
			<i>shares</i> KD	<i>reserve</i> KD										
Balance at 1 May 2014	48,510,000	2,400,000	(4,676,586)	998,971	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	-	-	-	-	-	-	-	-	1,690,977	1,690,977	48,584	1,739,561		
Other comprehensive income	-	-	-	-	-	-	-	996,211	-	996,211	-	996,211	996,211	
Total comprehensive income for the period	-	-	-	-	-	-	-	996,211	1,690,977	2,687,188	48,584	2,735,772	2,735,772	
Issue of bonus shares (note 6)	2,425,500	-	-	-	-	-	-	-	(2,425,500)	-	-	-	-	
Dividends (note 6)	-	-	-	-	-	-	-	-	(21,466,404)	(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)	(1,248,584)	
<b>Balance at 31 October 2014</b>	<b>50,935,500</b>	<b>2,400,000</b>	<b>(4,676,586)</b>	<b>998,971</b>	<b>24,255,000</b>	<b>50,516</b>	<b>5,106,784</b>	<b>117,028,748</b>	<b>48,002,657</b>	<b>268,356,590</b>	<b>-</b>	<b>268,356,590</b>	<b>268,356,590</b>	
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	280,183,217	
Profit for the period	-	-	-	-	-	-	-	-	485,023	485,023	63,644	548,667	548,667	
Other comprehensive loss	-	-	-	-	-	-	-	(135,042)	-	(135,042)	(10,903)	(145,945)	(145,945)	
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(135,042)	485,023	349,981	52,741	402,722	402,722	
Purchase of treasury shares	-	-	(210,224)	-	-	-	-	-	-	(210,224)	-	(210,224)	(210,224)	
Dividends (note 6)	-	-	-	-	-	-	-	-	(21,511,202)	(21,511,202)	-	(21,511,202)	(21,511,202)	
Balance at 31 October 2013	48,510,000	2,400,000	(4,068,564)	998,971	24,255,000	(181,744)	5,806,784	112,006,067	43,365,542	257,347,056	1,517,457	258,864,513	258,864,513	

During the six months ended 31 October 2014, unrealised gain on investments available for sale (others) include an amount of KD 132,368 (six months ended 31 October 2013: unrealised gain amounting to KD 23,105) 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 October 2014 (Unaudited)

	Notes	6 months ended 31 October	
		2014 KD	2013 KD Restated*
<b>OPERATING ACTIVITIES</b>			
Profit for the period before taxation from continuing operations		1,354,900	602,972
Loss for the period from discontinued operations	10	-	(54,305)
Profit for the period		1,354,900	548,667
Adjustments for:			
Finance cost		1,258,900	2,359,220
Depreciation		386,004	440,220
Employees' end of service benefits		41,727	24,564
Realised gain on sale of investments available for sale (others)		(207,342)	(2,269,763)
Impairment of investment available for sale (others)	4	-	877,020
Share of results of associates		(1,480,229)	(694,837)
		1,353,960	1,285,091
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(781,809)	644,399
Inventories		49,095	966,574
Accounts payable and accruals		(2,546,307)	(4,792,595)
Tax refund (paid)		264,925	(268,952)
Net cash flows used in operating activities		(1,660,136)	(2,165,483)
<b>INVESTING ACTIVITIES</b>			
Acquisition of non-controlling interest	12	(1,200,000)	-
Purchase of property, plant and equipment		(217,437)	(1,225,981)
Additions to investments available for sale (others)		(49,112)	(54,198)
Proceeds from sale of property, plant and equipment		1,205	-
Proceeds from sale of investments available for sale (others)		1,410,890	9,916,234
Dividend received from associates		981,882	1,319,178
Additions to investment in associates		-	(676,217)
Net cash flows from investing activities		927,428	9,279,016
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(20,457,528)	(20,790,904)
Net movement in term loans		5,473,023	(1,707,766)
Net movement in islamic financing payables		(1,614,000)	(450,000)
Finance cost paid		(1,354,572)	(2,373,299)
Purchase of treasury shares		-	(210,224)
Net cash flows used in financing activities		(17,953,077)	(25,532,193)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as at 1 May		21,075,374	21,052,346
Foreign exchange (gain) loss		(38,047)	41,751
<b>CASH AND CASH EQUIVALENTS AS AT 31 OCTOBER</b>		<b>2,351,542</b>	<b>2,675,437</b>

\* Certain amounts do not correspond to the interim condensed consolidated financial information as at 31 October 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 October 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 six months period ended 31 October 2014 were authorised for issue in accordance with a resolution of the board of directors on 14 December 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 KIPCO Tower Floor 35, Al Shuhada St, Sharq, 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

#### 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 October 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").

#### 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:



**2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 and must be applied retrospectively, subject to certain transition relief. 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, since the Group does not have any offsetting arrangements.

The adoption of the above mentioned amendments did not have any impact on the interim condensed consolidated 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.

**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*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

*IFRS 3- Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through statement of income whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

*IFRS 8- Operating Segments*

The amendments are applied retrospectively and clarifies that:

- ▶ An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- ▶ The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

*IAS 24- Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 October 2014 (Unaudited)

### 4 INVESTMENTS AVAILABLE FOR SALE

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 (31 October 2013: KD 877,020) in the interim condensed consolidated statement of income for the period in respect of investments available for sale (others).

As at 31 October 2014, certain unquoted investments available for sale amounting to KD 26,676,629 (30 April 2014: KD 26,676,629 and 31 October 2013: KD 27,078,187) 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 October 2014.

Certain investments available for sale (others and Equate) denominated in US Dollars and Pounds Sterling with a carrying value of KD 40,096,675 are designated as hedged items in fair value hedging relationship with amounts borrowed from banks as murabaha payables and term loans. As a result of the fair value hedge, Equate's value has increased by KD 724,263.

### 5 TREASURY SHARES

	<i>31 October 2014</i>	<i>(Audited) 30 April 2014</i>	<i>31 October 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>6,100,000</u>	<u>5,970,900</u>	<u>4,597,644</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 (30 April 2013: KD 21,511,202).

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

### 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, Jubail Integrated Packaging Co. L.L.C ("JIPC"), (formerly known as Olayan Arabian Packaging Company L.L.C ("Olayan")), 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.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 October 2014 (Unaudited)

### 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

#### IASB STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

##### *IFRS 15 – Revenue from Contracts with customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and does not expect any significant impact on adoption of this standard.

##### *Annual improvements 2011-2013 Cycle*

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

##### *IFRS 13 Fair Value Measurement:*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

Additional disclosures will be made in the interim condensed consolidated financial statements when these standards become 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>Three months ended 31 October</i>		<i>Six months ended 31 October</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
		<i>Restated*</i>		<i>Restated*</i>
Profit from continuing operations	<b>541,106</b>	112,141	<b>1,690,977</b>	512,176
Loss from discontinued operation	-	(12,413)	-	(27,153)
Profit attributable to equity holders of the Parent Company	<b>541,106</b>	99,728	<b>1,690,977</b>	485,023
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	<b>509,355,000</b>	509,355,000	<b>509,355,000</b>	509,355,000
Weighted average number of treasury shares	<b>(8,289,242)</b>	(7,016,234)	<b>(8,289,242)</b>	(7,016,234)
Weighted average number of shares for basic and diluted earnings per share	<b>501,065,758</b>	502,338,766	<b>501,065,758</b>	502,338,766
Basic and diluted earnings per share attributable to equity holders of the Parent Company	<b>1.08 fils</b>	0.20 fils	<b>3.37 fils</b>	0.97 fils
Basic and diluted earnings per share from continuing operations	<b>1.08 fils</b>	0.22 fils	<b>3.37 fils</b>	1.02 fils

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

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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### 7 SEGMENTAL INFORMATION (continued)

	<i>Energy, manufacturing and petrochemical sector KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>Six months ended 31 October 2014</i>			
Segment revenue	15,733,601	387,282	16,120,883
Segment profit	685,933	1,053,628	1,739,561
<i>Six months ended 31 October 2013</i>			
Segment revenue	16,244,624	2,013,748	18,258,372
Segment profit	216,339	332,328	548,667
	<i>Energy, manufacturing and petrochemical sector KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>As at 31 October 2014</i>			
Total assets	337,658,413	40,031,350	377,689,763
Total liabilities	90,288,288	19,044,885	109,333,173
<i>As at 30 April 2014</i>			
Total assets	354,956,648	39,494,565	394,451,213
Total liabilities	95,490,565	10,624,842	106,115,407
<i>As at 31 October 2013</i>			
Total assets	346,184,108	37,339,720	383,523,828
Total liabilities	107,666,120	16,993,195	124,659,315

### 8 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 October 2014 KD</i>	<i>(Audited) 30 April 2014 KD</i>	<i>31 October 2013 KD</i>
Acquisition of investments	756,436	734,786	737,264

The Parent Company has given corporate guarantees amounting to KD 12,517,994 (30 April 2014: KD 14,457,597, 31 October 2013: KD 12,965,359) to foreign banks on behalf of its subsidiaries.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 October 2014 (Unaudited)

### 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>Six months ended 31 October</i>	
		<i>2014 KD</i>	<i>2013 KD</i>
Sales	685,584	<b>685,584</b>	501,490
Purchases	324,545	<b>324,545</b>	196,144

#### Compensation of key management personnel

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

	<i>Six months ended 31 October</i>	
	<i>2014 KD</i>	<i>2013 KD</i>
Short-term benefits	<b>292,200</b>	275,000
Employees' end of service benefits	<b>6,232</b>	6,317
	<b>298,432</b>	281,317

### 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.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 October 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:

	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
<b>31 October 2014</b>			
<b>Financial assets</b>			
<i>Investments available for sale (others)</i>			
Quoted investments	1,547,411	-	1,547,411
Unquoted investments	-	26,792,426	26,792,426
	<u>1,547,411</u>	<u>26,792,426</u>	<u>28,339,837</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	142,180,871	142,180,871
	<u>-</u>	<u>142,180,871</u>	<u>142,180,871</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>
<b>31 October 2013</b>			
<b>Financial assets</b>			
<i>Investments available for sale (others)</i>			
Quoted investments	2,393,740	-	2,393,740
Unquoted investments	-	33,956,438	33,956,438
	<u>2,393,740</u>	<u>33,956,438</u>	<u>36,350,178</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 levels.

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

	<i>At the</i> <i>beginning of</i> <i>the period</i> <i>1 May 2014</i> <i>KD</i>	<i>Gain</i> <i>recorded in</i> <i>the</i> <i>statement</i> <i>of income</i> <i>KD</i>	<i>Loss</i> <i>recorded</i> <i>in other</i> <i>comprehensive</i> <i>income</i> <i>KD</i>	<i>Impairment</i> <i>loss</i> <i>recorded in</i> <i>the</i> <i>statement of</i> <i>income</i> <i>KD</i>	<i>Net</i> <i>purchases,</i> <i>transfer,</i> <i>sales and</i> <i>settlements</i> <i>KD</i>	<i>At the end</i> <i>of the period</i> <i>31 October</i> <i>2014</i> <i>KD</i>
<b>Six months ended</b> <b>31 October 2014</b>						
<i>Unquoted investments</i> <i>available for sale</i> <i>(others)</i>	27,788,189	248,986	(106,340)	-	(1,138,409)	26,792,426
<i>Unquoted investments</i> <i>available for sale</i> <i>(Equate)</i>	141,456,608	724,263	-	-	-	142,180,871
<i>Unquoted investments</i> <i>carried at fair value</i> <i>through income</i> <i>statement (designated)</i>	100,998,029	-	-	-	-	100,998,029

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 October 2014 (Unaudited)

### 11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<i>At the beginning of the period</i>	<i>Gain recorded in the statement of income</i>	<i>Gain recorded in other comprehensive income</i>	<i>Impairment loss recorded in the statement of income</i>	<i>Net purchases, transfer, sales and settlements</i>	<i>At the end of the period</i>
<i>Six months ended 31 October 2013</i>	<i>1 May 2013</i>	<i>of income</i>	<i>income</i>	<i>income</i>	<i>sales and settlements</i>	<i>31 October 2013</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Unquoted investments available for sale others)</i>	41,035,296	2,269,763	946,741	(877,020)	(9,418,342)	33,956,438

### 12 ACQUISITION OF NON-CONTROLLING INTERESTS

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