

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

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

31 JANUARY 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 January 2014 and the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the nine 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 nine month period ended 31 January 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

13 March 2014
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 31 January 2014 (Unaudited)

	Notes	3 months ended 31 January		9 months ended 31 January	
		2014 KD	2013 KD Restated*	2014 KD	2013 KD Restated*
Sales		3,136,077	6,647,773	18,470,054	19,937,092
Cost of sales		(2,764,271)	(5,341,691)	(15,875,812)	(16,397,334)
GROSS PROFIT		371,806	1,306,082	2,594,242	3,539,758
Dividend income		943,189	1,138,028	946,989	1,419,248
Investment income		66,600	4,728,403	2,336,363	6,885,482
Share of results of associates		608,282	411,138	1,303,119	1,006,390
Other income		1,106,361	48,534	1,420,888	410,388
General and administrative expenses		(359,822)	(802,085)	(2,038,527)	(2,186,887)
Finance cost		(852,691)	(1,579,293)	(3,211,911)	(5,059,566)
Foreign exchange (loss) gain		(7,491)	85,174	(49,242)	108,296
Profit before impairment of investments available for sale		1,876,234	5,335,981	3,301,921	6,123,109
Impairment of investments available for sale (others)	4	(1,255,805)	(41,095)	(2,132,825)	(566,848)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES ("KFAS") AND NATIONAL LABOUR SUPPORT TAX ("NLST")		620,429	5,294,886	1,169,096	5,556,261
Contribution to KFAS		-	(45,320)	-	(45,320)
Contribution to NLST		-	(117,797)	-	(117,797)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		620,429	5,131,769	1,169,096	5,393,144
DISCONTINUED OPERATIONS					
Loss for the period from discontinued operations	10	(64,080)	(60,259)	(91,233)	(75,000)
PROFIT FOR THE PERIOD		556,349	5,071,510	1,077,863	5,318,144
Profit attributable to:					
Equity holders of the parent company		476,719	5,132,383	934,588	5,333,684
Non-controlling interests		79,630	(60,873)	143,275	(15,540)
		556,349	5,071,510	1,077,863	5,318,144

* Certain amounts shown here do not correspond to the interim condensed consolidated financial statements as at 31 January 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 January 2014 (Unaudited)

	Notes	3 months ended 31 January		9 months ended 31 January	
		2014 KD	2013 KD *Restated	2014 KD	2013 KD *Restated
PROFIT FOR THE PERIOD		556,349	5,071,510	1,077,863	5,318,144
Other comprehensive income (loss)					
<i>Other comprehensive income (loss) not to be reclassified to statement of income in subsequent periods:</i>					
Realised gain on partial sale of investments available for sale (Equate)		-	(4,488,931)	-	(4,488,931)
Realised gain on sale of investments available for sale (others)		(66,600)	(239,472)	(2,336,363)	(1,417,016)
Transfer to statement of income for the period on impairment of investments available for sale (others)	4	1,255,805	41,095	2,132,825	566,848
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		1,189,205	(4,687,308)	(203,538)	(5,339,099)
<i>Other comprehensive (loss) income to be reclassified to statement of income in subsequent periods:</i>					
Unrealised (loss) gain on investments available for sale (others)		(1,061,245)	2,138,845	(114,503)	1,975,763
Share of other comprehensive income of associates		-	-	310,960	-
Others		-	-	(10,905)	-
Exchange differences on translation of foreign operations		(21,973)	884	(21,973)	58,164
Net other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods		(1,083,218)	2,139,729	163,579	2,033,927
OTHER COMPREHENSIVE INCOME (LOSS)		105,987	(2,547,579)	(39,959)	(3,305,172)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		662,336	2,523,931	1,037,904	2,012,972
Profit attributable to:					
Equity holders of the parent company		476,719	5,132,383	934,588	5,333,684
Non-controlling interests		79,630	(60,873)	143,275	(15,540)
		556,349	5,071,510	1,077,863	5,318,144
Total comprehensive income attributable to:					
Equity holders of the parent company		582,706	2,584,805	905,534	2,013,640
Non-controlling interests		79,630	(60,874)	132,370	(668)
		662,336	2,523,931	1,037,904	2,012,972
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	1.00 fils	10.73 fils	1.96 fils	11.12 fils
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY FROM CONTINUING OPERATIONS	3	1.13 fils	10.85 fils	2.15 fils	11.27 fils

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

The attached notes 1 to 11 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

For the period ended 31 January 2014 (Unaudited)

		<i>(Audited)</i>	
		<i>30 April</i>	<i>31 January</i>
		<i>2013</i>	<i>2013</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>
		<i>31 January</i>	<i>2014</i>
		<i>KD</i>	<i>KD</i>
ASSETS			
Cash and cash equivalents		21,052,346	3,047,207
Accounts receivable and prepayments		10,866,383	11,236,292
Inventories		5,413,671	4,782,991
Investments carried at fair value through income statement		100,998,029	100,998,029
Investments available for sale (Equate)		136,150,608	136,150,608
Investments available for sale (others)	4	72,073,811	62,441,223
Investment in associates		33,250,428	33,878,810
Exchange of deposits		5,093,413	4,830,913
Property, plant and equipment		20,534,012	19,161,001
Goodwill		6,002,464	6,002,464
		<u>411,435,165</u>	<u>382,529,538</u>
Assets classified as held for distribution	10	-	785,479
TOTAL ASSETS		<u>411,435,165</u>	<u>383,315,017</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans		50,808,178	58,764,206
Islamic financing payables		62,704,730	52,136,194
Accounts payable and accruals		14,625,641	10,127,748
Dividend payable		3,113,399	3,573,469
		<u>131,251,948</u>	<u>124,601,617</u>
Liabilities directly associated with the assets classified as held for distribution	10	-	17,044
Total liabilities		<u>131,251,948</u>	<u>124,618,661</u>
EQUITY			
Share capital		48,510,000	48,510,000
Share premium		2,400,000	2,400,000
Treasury shares	5	(3,858,340)	(4,676,586)
Treasury shares reserve		998,971	998,971
Statutory reserve		24,255,000	24,255,000
Voluntary reserve		24,255,000	24,255,000
Other reserves		(181,744)	(181,744)
Revaluation reserve		5,806,784	5,084,811
Cumulative changes in fair value		112,141,109	112,134,028
Retained earnings		64,391,721	43,815,107
Reserves of a disposal group classified as held for distribution	10	-	700,000
		<u>280,183,217</u>	<u>258,696,356</u>
Equity attributable to equity holders of the parent company		278,718,501	257,294,587
Non-controlling interests		1,464,716	1,401,769
Total equity		<u>280,183,217</u>	<u>258,696,356</u>
TOTAL LIABILITIES AND EQUITY		<u>411,435,165</u>	<u>383,315,017</u>

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.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 January 2014 (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			Discontinued operations KD	Sub Total KD
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	-	-	-	-	-	-	-	-	-	934,588	-	934,588	143,275	1,077,863
Discontinued operations (note 10)	-	-	-	-	-	-	(700,000)	-	-	-	700,000	-	-	-
Other comprehensive loss	-	-	-	-	-	-	(21,973)	(7,081)	-	-	-	(29,054)	(10,905)	(39,959)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(721,973)	(7,081)	(7,081)	934,588	700,000	905,534	132,370	1,037,904
Discontinued operations (note 10)	-	-	-	-	-	-	-	-	-	-	-	(818,246)	(195,317)	(195,317)
Purchase of treasury shares	-	-	(818,246)	-	-	-	-	-	-	(21,511,202)	-	(21,511,202)	-	(21,511,202)
Dividends (note 6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 January 2014	48,510,000	2,400,000	(4,676,586)	998,971	24,255,000	24,255,000	(181,744)	5,084,811	112,134,028	43,815,107	700,000	257,294,587	1,401,769	258,696,356
Balance at 1 May 2012	48,510,000	2,400,000	(949,972)	993,574	24,255,000	24,255,000	(181,744)	5,806,784	116,001,002	57,359,488	-	278,449,132	1,370,775	279,819,907
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	5,333,684	-	5,333,684	(15,540)	5,318,144
Other comprehensive income (loss)	-	-	-	-	-	-	43,292	(3,363,336)	(3,363,336)	-	-	(3,320,044)	14,872	(3,305,172)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	43,292	(3,363,336)	(3,363,336)	5,333,684	-	2,013,640	(668)	2,012,972
Purchase of treasury shares	-	-	(2,958,375)	-	-	-	-	-	-	-	-	(2,958,375)	-	(2,958,375)
Dividends (note 6)	-	-	-	-	-	-	-	-	-	(19,181,577)	-	(19,181,577)	-	(19,181,577)
Balance at 31 January 2013	48,510,000	2,400,000	(3,908,347)	993,574	24,255,000	24,255,000	(181,744)	5,850,076	112,637,666	43,511,595	-	258,322,820	1,370,107	259,692,927

During the nine months ended 31 January 2014, unrealised gain on investments available for sale (others) include an amount of KD 135,382 (nine months ended 31 January 2013: unrealised loss amounting to KD 217,573 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.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 January 2014 (Unaudited)

	Notes	9 months ended 31 January	
		2014 KD	2013 KD Restated*
OPERATING ACTIVITIES			
Profit for the period before KFAS and NLST		1,169,096	5,556,261
Loss for the period from discontinued operations	10	(91,233)	(75,000)
Profit for the period		1,077,863	5,481,261
Adjustments for:			
Finance cost		3,211,911	5,059,566
Depreciation		652,589	841,166
Employees' end of service benefits		3,166	64,753
Realised gain on partial sale of investments available for sale (Equate)		-	(4,488,931)
Realised gain on sale of investments available for sale (others)		(2,336,363)	(1,417,016)
Impairment of investment available for sale (others)	4	2,132,825	566,848
Other income		-	(445,546)
Share of results of associates		(1,303,119)	(1,006,390)
		3,438,872	4,655,711
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		8,376	(2,848,423)
Inventories		630,680	(140,993)
Accounts payable and accruals		(3,478,895)	622,027
Taxation paid		(268,997)	(232,576)
Net cash flows from operating activities		330,036	2,055,746
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,640,507)	(73,818)
Proceeds from partial sale of investments available for sale (Equate)		-	5,061,600
Additions to investments available for sale (others)		(110,801)	(2,139,345)
Proceeds from sale of investments available for sale (others)		10,005,167	10,084,034
Dividend received from associates		1,535,448	-
Additions to investment in associates		(676,217)	(9,398,860)
Net cash flows from investing activities		9,113,090	3,533,611
FINANCING ACTIVITIES			
Dividends paid		(21,051,132)	(18,577,041)
Net movement in term loans		(10,706,881)	(4,351,809)
Proceeds from additional borrowings		18,547,123	-
Movement in exchange of deposits		-	3,997,294
Net movement in islamic financing payables		(10,450,000)	(1,000,000)
Finance cost paid		(3,018,371)	(4,779,911)
Purchase of treasury shares		(818,246)	(2,958,375)
Net cash flows used in financing activities		(27,497,507)	(27,669,842)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(18,054,381)	(22,080,485)
Cash and cash equivalents as at 1 May		21,052,346	35,469,950
Foreign exchange loss (gain)		49,242	(108,296)
CASH AND CASH EQUIVALENTS AS AT 31 JANUARY		3,047,207	13,281,169

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

The attached notes 1 to 11 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 January 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 nine month period ended 31 January 2014 were authorised for issue in accordance with a resolution of the board of directors on 13 March 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 January 2014 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").

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 2013, except for the adoption of the following new and amended International Accounting Standards Board ("IASB") standards during the period:

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

IFRS 7: Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendment)

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 have no impact the group's financial position or performance.

IFRS 10: Consolidated Financial Statements

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 12: Disclosure of Involvement with Other Entities

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 they have no impact on the group's financial position or performance.

IFRS 13: Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. The standard 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. IFRS 13 requires an entity to disclose information that helps users of its financial statements to assess both of the following: (a) For assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition, the valuation techniques and inputs used to develop those measurements, (b) For fair value measurements using significant unobservable inputs, the effect of the measurements on statement of income or other comprehensive income for the period. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the group. The group provides these disclosures in note 11.

IAS 1 Presentation of Items of Other Comprehensive Income (OCI) – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to statement of income at a future point in time would be presented separately from items that will never be reclassified. The amendment affects presentation only and therefore have no 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.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments did not have a material impact the group's financial position or performance.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2014 (Unaudited)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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 yet not been adopted by the group:

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address classification and measurement of financial liabilities, hedge accounting and derecognition. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the group's financial assets. The group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

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 January</i>		<i>9 months ended 31 January</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	540,799	5,192,642	1,025,821	5,408,684
Profit from discontinued operations	(64,080)	(60,259)	(91,233)	(75,000)
Profit attributable to equity holders of the parent company	476,719	5,132,383	934,588	5,333,684
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	485,100,000	485,100,000	485,100,000	485,100,000
Weighted average number of treasury shares	(7,099,562)	(6,614,536)	(7,198,803)	(5,358,407)
Weighted average number of shares for basic and diluted earnings per share	478,000,438	478,485,464	477,901,197	479,741,593
Basic and diluted earnings per share	1.00 fils	10.73 fils	1.96 fils	11.12 fils
Basic and diluted earnings per share from continuing operations	1.13 fils	10.85 fils	2.15 fils	11.27 fils

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 2,132,825 (nine months ended 31 January 2013: KD 566,848) in the interim condensed consolidated statement of income for the period in respect of investments available for sale (others).

As at 31 January 2014, certain unquoted investments available for sale amounting to KD 27,078,187 (30 April 2013: KD 27,078,187 and 31 January 2013: KD 27,575,269) 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 January 2014.

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

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5 TREASURY SHARES

	<i>31 January 2014</i>	<i>(Audited) 30 April 2013</i>	<i>31 January 2013</i>
Number of treasury shares	<u>8,068,783</u>	<u>6,773,299</u>	<u>6,863,299</u>
Percentage of issued shares	<u>1.66%</u>	<u>1.40%</u>	<u>1.41%</u>
Market value (KD)	<u>5,486,772</u>	<u>4,334,911</u>	<u>3,912,080</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 in respect of the year ended 30 April 2013 (KD 19,181,577 in respect of the year ended 30 April 2012).

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 Company 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 nine months ended 31 January 2014 and 31 January 2013, respectively:

	<i>Investments KD</i>	<i>Manufacturing and trading KD</i>	<i>Consolidated KD</i>
<i>Nine months ended 31 January 2014</i>			
Segment revenue	<u>6,007,359</u>	<u>18,470,054</u>	<u>24,477,413</u>
Segment (loss) profit	<u>(12,960)</u>	<u>1,182,056</u>	<u>1,169,096</u>
<i>Nine months ended 31 January 2013</i>			
Segment revenue	<u>9,721,508</u>	<u>19,937,092</u>	<u>29,658,600</u>
Segment profit	<u>3,648,482</u>	<u>1,744,662</u>	<u>5,393,144</u>

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7 SEGMENTAL INFORMATION (continued)

The following table presents segment assets and liabilities of the group's operating segments as at 31 January 2014, 30 April 2013 and 31 January 2013 respectively:

	<i>Investments KD</i>	<i>Manufacturing and trading KD</i>	<i>Consolidated KD</i>
As at 31 January 2014			
Total assets	<u>346,730,765</u>	<u>36,584,251</u>	<u>383,315,017</u>
Total liabilities	<u>108,540,862</u>	<u>16,077,799</u>	<u>124,618,661</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 January 2013			
Total assets	<u>366,575,678</u>	<u>37,510,443</u>	<u>404,086,121</u>
Total liabilities	<u>127,064,010</u>	<u>17,329,184</u>	<u>144,393,194</u>

8 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 January 2014 KD</i>	<i>(Audited) 30 April 2013 KD</i>	<i>31 January 2013 KD</i>
Acquisition of investments	<u>737,395</u>	<u>743,003</u>	<u>724,483</u>

The parent company has given corporate guarantees amounting to KD 9,688,086 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>Nine months ended 31 January</i>	
		<i>2014 KD</i>	<i>2013 KD</i>
Sales	866,131	866,131	792,154
Purchases	417,293	417,293	677,655
Acquisition of an associate			3,700,000

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 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>Nine months ended 31 January</i>	
	<i>2014</i>	<i>2013</i>
	<i>KD</i>	<i>KD</i>
Short-term benefits	310,400	346,800
Employees' end of service benefits	9,310	9,476
	319,710	356,276

10 DISCONTINUED OPERATIONS

On 25 December 2013, the Board of Directors announced its decision to discontinue the investment in National Waste Management Company K.S.C. (closed), a partially owned subsidiary. Therefore, the operations of National Waste Management Company K.S.C. (closed) are classified as a disposal group held for sale. The Board considered the subsidiary to meet the criteria to be classified as held for sale at that date for the following reasons:

- National Waste Management Company K.S.C. (Closed) is available for immediate disposal and can be disposed in its current condition;
- The actions to complete the disposal were initiated and are expected to be completed within one year;
- The shareholders approved the disposal on 25 December 2013; and
- The Parent Company expects the statutory procedures and procedural formalities for the disposal to be completed by 9 February 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 January 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>
31 January 2014			
Financial assets			
<i>Investments available for sale (others)</i>			
Quoted investments	2,243,454	-	2,243,454
Unquoted investments	-	33,119,582	33,119,582
	<u>2,243,454</u>	<u>33,119,582</u>	<u>35,363,036</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	136,150,608	136,150,608
<i>Investments carried at fair value through income statement</i>			
Unquoted investments	-	100,998,029	100,998,029
Discontinued operations	1,618	-	1,618
	<u>1,618</u>	<u>-</u>	<u>1,618</u>
	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
31 January 2013			
Financial assets			
<i>Investments available for sale (others)</i>			
Quoted investments	3,973,958	-	3,973,958
Unquoted investments	-	47,594,216	47,594,216
	<u>3,973,958</u>	<u>47,594,216</u>	<u>51,568,174</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	136,150,608	136,150,608
<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 and financial liabilities which are recorded at fair value.

	<i>At the</i> <i>beginning of</i> <i>the period</i> <i>KD</i>	<i>Gain</i> <i>recorded in</i> <i>the statement</i> <i>of income</i> <i>KD</i>	<i>Gain</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 statement</i> <i>of 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</i> <i>period</i> <i>KD</i>
Nine months ended 31 January 2014						
<i>Unquoted investments</i> <i>available for sale (others)</i>	41,035,296	1,683,769	500,328	(2,005,806)	(8,094,005)	33,119,582
<i>Unquoted investments</i> <i>available for sale (Equate)</i>	136,150,608	-	-	-	-	136,150,608
<i>Unquoted investments</i> <i>carried at fair value</i> <i>through income statement</i> <i>(designated)</i>	100,998,029	-	-	-	-	100,998,029

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11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

<i>Nine months ended 31 January 2013</i>	<i>At the beginning of the period KD</i>	<i>Gain recorded in the statement of income KD</i>	<i>(Loss) recorded in other comprehensive income KD</i>	<i>Impairment loss recorded in the statement of income KD</i>	<i>Net purchases, transfer, sales and settlements KD</i>	<i>At the end of the period KD</i>
<i>Unquoted investments available for sale (others)</i>	53,090,491	170,984	(149,614)	-	(5,517,645)	47,594,216
<i>Unquoted investments available for sale (Equate)</i>	138,301,724	4,488,931	(1,334,815)	-	-	135,147,608
<i>Unquoted investments carried at fair value through income statement (designated)</i>	100,998,029	-	-	-	-	100,998,029