

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

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

31 JANUARY 2016



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 2016 and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three month and nine month period then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of 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 1 of 2016 and the executive regulation of Law No. 25 of 2012 or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 31 January 2016 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

6 March 2016
Kuwait

Boubyan Petrochemical Company K.S.C.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the period ended 31 January 2016 (Unaudited)

	Notes	3 months ended 31 January		9 months ended 31 January	
		2016 KD	2015 KD	2016 KD	2015 KD
Sales		8,782,176	6,192,683	23,136,885	20,569,028
Cost of sales		(7,251,545)	(5,508,512)	(19,145,856)	(18,007,404)
GROSS PROFIT		1,530,631	684,171	3,991,029	2,561,624
Dividend income		45,844	-	466,034	56,967
Realised gain on investments available for sale (others)		271,953	113,585	4,138,339	320,927
Share of results of associates		896,859	675,542	2,658,306	2,155,771
Gain on disposal of associate assets	12	116,861	-	685,637	-
Other income		102,498	173,403	201,729	840,834
General and administrative expenses		(1,127,502)	(817,325)	(3,029,635)	(2,454,900)
Finance cost		(633,494)	(622,133)	(1,802,594)	(1,881,033)
Foreign exchange gain (loss)		2,185	(33,397)	(70,226)	(71,444)
Profit before impairment of investments available for sale		1,205,835	173,846	7,238,619	1,528,746
Impairment of investments available for sale (others)	4	(50,246)	(64,561)	(97,074)	(64,561)
PROFIT BEFORE TAXATION		1,155,589	109,285	7,141,545	1,464,185
Taxation		(151,726)	-	(405,068)	384,661
PROFIT FOR THE PERIOD		1,003,863	109,285	6,736,477	1,848,846
Profit attributable to:					
Equity holders of the Parent Company		1,003,863	109,285	6,736,477	1,800,262
Non-controlling interests		-	-	-	48,584
PROFIT FOR THE PERIOD		1,003,863	109,285	6,736,477	1,848,846
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3	1.92 fils	0.21 fils	12.89 fils	3.42 fils

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 COMPREHENSIVE INCOME

For the period ended 31 January 2016 (Unaudited)

	<i>3 months ended 31 January</i>		<i>9 months ended 31 January</i>	
	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>	<i>2016</i> <i>KD</i>	<i>2015</i> <i>KD</i>
PROFIT FOR THE PERIOD	1,003,863	109,285	6,736,477	1,848,846
<i>Items that are or may be reclassified subsequently to statement of income:</i>				
Unrealised (loss) gain on investments available for sale (others)	(2,111,452)	372,203	(731,531)	1,557,538
Share of ineffective portion of fair value hedge	-	31,879	-	(170,264)
Share of other comprehensive income of associates	-	-	-	220,361
Exchange differences on translation of foreign operations	-	-	150,900	-
Other comprehensive (loss) income to be reclassified to statement of income in subsequent periods	(2,111,452)	404,082	(580,631)	1,607,635
<i>Items that will not be reclassified to statement of income :</i>				
Realised gain on sale of investments available for sale (others)	-	(113,585)	-	(320,927)
Transfer to statement of income for the period on impairment of investments available for sale (others)	50,246	64,561	97,074	64,561
Other comprehensive income not to be reclassified to statement of income	50,246	(49,024)	97,074	(256,366)
OTHER COMPREHENSIVE (LOSS) INCOME	(2,061,206)	355,058	(483,557)	1,351,269
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(1,057,343)	464,343	6,252,920	3,200,115
Total comprehensive (loss) income attributable to:				
Equity holders of the Parent Company	(1,057,343)	464,343	6,252,920	3,151,531
Non-controlling interests	-	-	-	48,584
	(1,057,343)	464,343	6,252,920	3,200,115

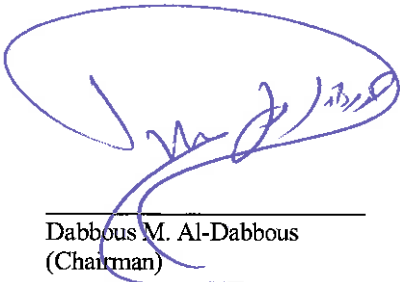
The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

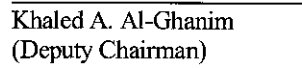
Boubyan Petrochemical Company K.S.C.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 January 2016 (Unaudited)

		(Audited)	
	31 January	30 April	31 January
	2016	2015	2015
Notes	KD	KD	KD
ASSETS			
Cash and cash equivalents	1,472,573	20,733,605	1,710,381
Accounts receivable and prepayments	13,978,330	10,880,421	11,650,523
Inventories	7,158,684	6,784,606	6,639,061
Investments carried at fair value through statement of income	125,284,633	125,284,633	100,998,029
Investments available for sale (Equate)	4 153,902,872	153,763,255	142,656,443
Investments available for sale (others)	4 42,090,778	34,476,331	54,615,979
Investment in associates	32,241,110	32,469,703	35,496,107
Property, plant and equipment	21,700,229	22,142,273	20,031,550
Goodwill	6,002,464	6,002,464	6,002,464
TOTAL ASSETS	403,831,673	412,537,291	379,800,537
LIABILITIES AND EQUITY			
LIABILITIES			
Term loans	67,586,757	68,506,447	63,112,812
Islamic financing payables	29,268,064	23,261,267	35,910,205
Accounts payable and accruals	13,202,056	11,186,892	9,526,795
Dividend payable	3,982,567	3,429,648	3,870,770
Total liabilities	114,039,444	106,384,254	112,420,582
EQUITY			
Share capital	53,482,275	50,935,500	50,935,500
Share premium	2,400,000	2,400,000	2,400,000
Treasury shares	5 (8,818,693)	(6,142,427)	(6,117,564)
Treasury shares reserve	998,971	998,971	998,971
Statutory reserve	25,467,750	25,467,750	24,255,000
Voluntary reserve	25,467,750	25,467,750	24,255,000
Other reserves	50,516	50,516	50,516
Revaluation reserve	5,106,784	5,106,784	5,106,784
Cumulative changes in fair value	129,960,613	130,444,170	117,383,806
Retained earnings	55,676,263	71,424,023	48,111,942
Equity attributable to equity holders of the Parent Company	289,792,229	306,153,037	267,379,955
Total equity	289,792,229	306,153,037	267,379,955
TOTAL LIABILITIES AND EQUITY	403,831,673	412,537,291	379,800,537


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 January 2016 (Unaudited)

Attributable to shareholders of the Parent Company

	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	Sub Total KD	Non-controlling interests KD	Total equity KD
Balance at 1 May 2015	50,935,500	2,400,000	(6,142,427)	998,971	25,467,750	25,467,750	50,516	5,106,784	130,444,170	71,424,023	306,153,037	-	306,153,037
Profit for the period	-	-	-	-	-	-	-	-	-	6,736,477	6,736,477	-	6,736,477
Other comprehensive income	-	-	-	-	-	-	-	-	(483,557)	-	(483,557)	-	(483,557)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	(483,557)	6,736,477	6,252,920	-	6,252,920
Issue of bonus shares (note 6)	2,546,775	-	-	-	-	-	-	-	-	(2,546,775)	-	-	-
Dividends (note 6)	-	-	-	-	-	-	-	-	-	(19,937,462)	(19,937,462)	-	(19,937,462)
Purchase of treasury shares	-	-	(2,676,266)	-	-	-	-	-	-	-	(2,676,266)	-	(2,676,266)
Balance at 31 January 2016	53,482,275	2,400,000	(8,818,693)	998,971	25,467,750	25,467,750	50,516	5,106,784	129,960,613	55,676,263	289,792,229	-	289,792,229
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	-	-	-	-	-	-	-	-	-	1,800,262	1,800,262	48,584	1,848,846
Other comprehensive income	-	-	-	-	-	-	-	-	1,351,269	-	1,351,269	-	1,351,269
Total comprehensive income for the period	-	-	-	-	-	-	-	-	1,351,269	1,800,262	3,151,531	48,584	3,200,115
Issue of bonus shares (note 6)	2,425,500	-	-	-	-	-	-	-	-	(2,425,500)	-	-	-
Dividends (note 6)	-	-	-	-	-	-	-	-	-	(21,466,404)	(21,466,404)	-	(21,466,404)
Purchase of treasury shares	-	-	(1,440,978)	-	-	-	-	-	-	-	(1,440,978)	-	(1,440,978)
Acquisition of non-controlling interest (note 11)	-	-	-	-	-	-	232,260	-	-	-	232,260	(1,480,844)	(1,248,584)
Balance at 31 January 2015	50,935,500	2,400,000	(6,117,564)	998,971	24,255,000	24,255,000	50,516	5,106,784	117,383,806	48,111,942	267,379,955	-	267,379,955

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 CASH FLOWS

For the period ended 31 January 2016 (Unaudited)

	Notes	9 months ended 31 January	
		2016 KD	2015 KD
OPERATING ACTIVITIES			
Profit for the period before taxation		7,141,545	1,464,185
Adjustments for:			
Finance cost		1,802,594	1,881,033
Depreciation		958,046	730,981
Employees' end of service benefits		44,353	90,417
Realised gain on sale of investments available for sale (others)		(4,138,339)	(320,927)
Gain on disposal of associate assets	12	(685,637)	-
Impairment of investment available for sale (others)	4	97,074	64,561
Share of results of associates		(2,658,306)	(2,155,771)
		2,561,330	1,754,479
Changes in operating assets and liabilities:			
Accounts receivable and prepayments		(3,718,639)	(1,289,576)
Inventories		(175,576)	(998,330)
Accounts payable and accruals		1,416,737	(2,326,840)
Tax (paid) refund		(64,660)	286,107
Net cash flows from (used in) operating activities		19,192	(2,574,160)
INVESTING ACTIVITIES			
Acquisition of non-controlling interest	11	-	(1,200,000)
Purchase of property, plant and equipment		(308,942)	(437,888)
Additions to investments available for sale (others)		(9,271,589)	(49,112)
Proceeds from sale of property, plant and equipment		-	6,800
Proceeds from sale of investments available for sale (others)		4,839,835	1,449,750
Proceeds from disposal of associate assets		2,616,861	-
Dividend received from associates		1,645,917	1,092,826
Net cash flows (used in) from investing activities		(477,918)	862,376
FINANCING ACTIVITIES			
Dividends paid		(19,384,543)	(20,757,248)
Net movement in term loans		(881,940)	8,159,990
Net movement in islamic financing payables		5,985,464	(1,614,700)
Finance cost paid		(1,774,795)	(1,928,829)
Purchase of treasury shares		(2,676,266)	(1,440,978)
Net cash flows used in financing activities		(18,732,080)	(17,581,765)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(19,190,806)	(19,293,549)
Cash and cash equivalents as at 1 May		20,733,605	21,075,374
Foreign exchange loss		(70,226)	(71,444)
CASH AND CASH EQUIVALENTS AS AT 31 JANUARY		1,472,573	1,710,381

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 January 2016 (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 months period ended 31 January 2016 were authorised for issue in accordance with a resolution of the board of directors on 6 March 2016.

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 new Companies Law No. 1 of 2016 was issued on 24 January 2016 and was published in the Official Gazette on 1 February 2016 cancelled the Companies Law No 25 of 2012, and its amendments. According to article No. 5, the new Law will be effective retrospectively from 26 of November 2012, the executive regulation of Law No. 25 of 2012 will continue until a new set of executive regulation is issued.

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.
- Acquiring and developing industrial projects, Industries estates, services and support industries, Provision of industries and financial support to projects under development.
- 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 January 2016 are not necessarily indicative of the results that may be expected for the financial year ending 30 April 2016. For more details, please refer to the audited consolidated financial statements for the year ended 30 April 2015.

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

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 30 April 2015. Amendments to International Financial Reporting Standards (IFRSs) which are effective for annual accounting period starting from 1 January 2015 did not have any material impact on the accounting policies, financial position or performance of the Group.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2016 (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 January</i>		<i>Nine months ended 31 January</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit attributable to equity holders of the Parent Company	<u>1,003,863</u>	<u>109,285</u>	<u>6,736,477</u>	<u>1,800,262</u>
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	<u>534,822,750</u>	<u>534,822,750</u>	<u>534,822,750</u>	<u>534,822,750</u>
Weighted average number of treasury shares	<u>(13,163,514)</u>	<u>(9,354,479)</u>	<u>(12,102,075)</u>	<u>(8,640,598)</u>
Weighted average number of shares for basic and diluted earnings per share	<u>521,659,236</u>	<u>525,468,271</u>	<u>522,720,675</u>	<u>526,182,152</u>
Basic and diluted earnings per share attributable to equity holders of the Parent Company	<u>1.92 fils</u>	<u>0.21 fils</u>	<u>12.89 fils</u>	<u>3.42 fils</u>

In accordance with International Accounting Standard 33 "Earnings per share", number of shares for the period ended 31 January 2015 had been restated for the issue of bonus shares.

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 97,074 (31 January 2015: KD 64,561) in the interim condensed consolidated statement of income for the period in respect of investments available for sale (others).

As at 31 January 2016, certain unquoted investments available for sale amounting to KD 16,644,573 (30 April 2015: KD 17,342,636 and 31 January 2015: KD 26,676,629) 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 2016.

Certain investments available for sale (Equate and others) denominated in US Dollars and Pounds Sterling with a carrying value of KD 35,020,845 are designated as hedged items in fair value hedging relationship with amounts borrowed from banks as murabaha payables and term loans.

5 TREASURY SHARES

	<i>31 January</i>	<i>(Audited)</i>	<i>31 January</i>
	<i>2016</i>	<i>30 April</i>	<i>2015</i>
		<i>2015</i>	
Number of treasury shares	<u>17,150,335</u>	<u>10,851,987</u>	<u>10,809,987</u>
Percentage of issued shares	<u>3.21%</u>	<u>2.13%</u>	<u>2.12%</u>
Market value (KD)	<u>7,546,147</u>	<u>6,511,192</u>	<u>6,161,693</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION At 31 January 2016 (Unaudited)

6 DIVIDENDS AND ANNUAL GENERAL ASSEMBLY

On 1 July 2015, the shareholders at the annual general assembly of the Parent Company approved the consolidated financial statements for the year ended 30 April 2015 and approved a cash dividend of 40 fils per share (30 April 2014: 45 fils per share) on outstanding shares (excluding treasury shares) amounting to KD 19,937,462 in respect of the year ended 30 April 2015 (30 April 2014: KD 21,466,404).

On 15 July 2015, the shareholders at the extra ordinary general assembly of the Parent Company approved 25,467,750 (31 January 2014: 24,255,000) bonus shares at 5% (31 January 2014: 5%) amounting to KD 2,546,775 (31 January 2014: KD 2,425,500) of the Parent Company's capital. The increase in share capital was recorded in the Parent Company's commercial register on 2 August 2015.

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, Muna Noor. L.L.C. (Salalah), Oman, Jubail Integrated Packaging Co. L.L.C. ("JPIC"), Muna Noor Plastic Industries L.L.C, Oman, 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>Nine months ended 31 January 2016</i>			
Segment revenue	25,412,758	5,672,444	31,085,202
Segment profit	815,802	5,920,676	6,736,478
<i>Nine months ended 31 January 2015</i>			
Segment revenue	22,369,410	733,283	23,102,693
Segment profit	434,709	1,414,137	1,848,846
<i>As at 31 January 2016</i>			
Total assets	363,340,633	40,491,040	403,831,673
Total liabilities	94,189,472	19,849,972	114,039,444
<i>As at 30 April 2015 (Audited)</i>			
Total assets	380,663,635	31,873,656	412,537,291
Total liabilities	90,966,036	15,418,218	106,384,254

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

At 31 January 2016 (Unaudited)

7 SEGMENTAL INFORMATION (continued)

	<i>Energy, manufacturing and petrochemical sector KD</i>	<i>Others KD</i>	<i>Total KD</i>
As at 31 January 2015			
Total assets	339,505,108	40,295,429	379,800,537
Total liabilities	92,476,268	19,944,314	112,420,582

8 CONTINGENCIES AND CAPITAL COMMITMENTS

	<i>31 January 2016 KD</i>	<i>(Audited) 30 April 2015 KD</i>	<i>31 January 2015 KD</i>
Acquisition of investments	787,737	787,737	770,652

The Parent Company has given corporate guarantees amounting to KD 12,765,012 (30 April 2015: KD 12,713,326, 31 January 2015: KD 12,517,994) 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>2016 KD</i>	<i>2015 KD</i>
Sales	798,866	798,866	837,361
Purchases	571,296	571,296	462,330

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>2016 KD</i>	<i>2015 KD</i>
Short-term benefits	315,401	331,800
Employees' end of service benefits	11,957	9,348
	<u>327,358</u>	<u>341,148</u>

10 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.

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10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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

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

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

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

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

	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
31 January 2016			
Financial assets			
<i>Investments available for sale (others)</i>			
Quoted investments	9,855,059	-	9,855,059
Unquoted investments	-	15,591,146	15,591,146
	<u>9,855,059</u>	<u>15,591,146</u>	<u>25,446,205</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	153,902,872	153,902,872
<i>Investments carried at fair value through income statement</i>			
Unquoted investments	-	125,284,633	125,284,633
	<u>-</u>	<u>125,284,633</u>	<u>125,284,633</u>
31 January 2015			
Financial assets			
<i>Investments available for sale (others)</i>			
Quoted investments	1,411,166	-	1,411,166
Unquoted investments	-	26,528,184	26,528,184
	<u>1,411,166</u>	<u>26,528,184</u>	<u>27,939,350</u>
<i>Investments available for sale (Equate)</i>			
Unquoted investments	-	142,656,443	142,656,443
<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.

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10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

<i>Nine months ended 31 January 2016</i>	<i>At the beginning of the period 1 May 2015 KD</i>	<i>(Loss)/gain recorded in the statement of income KD</i>	<i>Gain recorded in other comprehensive income KD</i>	<i>Net purchases, transfer, sales and settlements KD</i>	<i>At the end of the period 31 January 2016 KD</i>
Unquoted investments available for sale (others)	15,781,837	(228,867)	38,176	-	15,591,146
Unquoted investments available for sale (Equate)	153,763,255	139,617	-	-	153,902,872
Unquoted investments carried at fair value through income statement(designated)	125,284,633	-	-	-	125,284,633
<i>Nine months ended 31 January 2015</i>	<i>At the beginning of the period 1 May 2014 KD</i>	<i>Gain recorded in the statement of income KD</i>	<i>Loss recorded in other comprehensive income KD</i>	<i>Net purchases, transfer, sales and settlements KD</i>	<i>At the end of the period 31 January 2015 KD</i>
Unquoted investments available for sale (others)	27,788,189	218,900	(302,245)	(1,176,660)	26,528,184
Unquoted investments available for sale (Equate)	141,456,608	1,199,835	-	-	142,656,443
Unquoted investments carried at fair value through income statement(designated)	100,998,029	-	-	-	100,998,029

11 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") for the consideration paid of SAR 16,000,000 (KD 1,200,000), increasing its ownership interest to 100%.

12 GAIN ON DISPOSAL OF ASSOCIATE ASSETS

During the period, the Group's associate, Kuwaiti Qatari International Holding Company K.S.C. ("KQIHC") completed the liquidation of the underlying assets of the Company which resulted in a gain of KD 685,637 for the Parent Company.