



**Qurain Petrochemical Industries Company  
K.S.C.P. and its Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

**30 SEPTEMBER 2017 (UNAUDITED)**

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

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Qurain Petrochemical Industries Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 30 September 2017, and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six months period then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the 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, as amended, and its executive regulations, or of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the six months period ended 30 September 2017 that might have had a material effect on the business of the Parent Company or on its financial position.



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BADER A. AL-ABDULJADER  
LICENCE NO. 207-A  
EY  
(AL AIBAN, AL OSAIMI & PARTNERS)

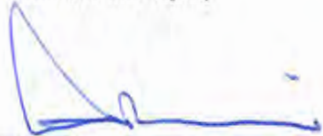
25 October 2017  
Kuwait


Qurain Petrochemical Industries Company K.S.C.P. and Subsidiaries 

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2017

		30 September 2017	(Audited) 31 March 2017	30 September 2016
	Notes	KD	KD	KD
<b>ASSETS</b>				
<b>Current assets</b>				
Bank balances and cash	4	59,455,266	61,790,106	35,809,471
Trade and other receivables		29,829,743	31,997,465	14,412,635
Inventories		37,022,047	29,411,889	29,902,182
Financial assets at fair value through profit or loss		2,427,678	2,396,954	-
<b>Total current assets</b>		<b>128,734,734</b>	<b>125,596,414</b>	<b>80,124,288</b>
<b>Non-current assets</b>				
Due from a related party	9	1,250,000	1,250,000	1,250,000
Financial assets available for sale	5	199,075,588	198,817,002	185,870,773
Investment in associates and joint venture		87,450,720	85,819,737	89,926,350
Intangible assets		121,924,436	117,750,004	105,627,507
Property, plant and equipment		86,160,261	79,538,111	69,119,732
<b>Total non-current assets</b>		<b>495,861,005</b>	<b>483,174,854</b>	<b>451,794,362</b>
<b>Total assets</b>		<b>624,595,739</b>	<b>608,771,268</b>	<b>531,918,650</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		48,975,743	39,413,418	32,012,103
Term loans		14,761,112	22,820,500	-
Bank overdraft	4	-	-	7,469,708
<b>Total current liabilities</b>		<b>63,736,855</b>	<b>62,233,918</b>	<b>39,481,811</b>
<b>Non-current liabilities</b>				
Employees' end of service benefits		11,573,698	11,659,748	9,645,310
Term loans		63,744,086	53,779,603	62,891,700
<b>Total non-current liabilities</b>		<b>75,317,784</b>	<b>65,439,351</b>	<b>72,537,010</b>
<b>Total liabilities</b>		<b>139,054,639</b>	<b>127,673,269</b>	<b>112,018,821</b>
<b>EQUITY</b>				
Share capital		109,919,258	109,919,258	109,919,258
Statutory reserve		22,604,499	22,604,499	18,983,391
Voluntary reserve		22,482,797	22,482,797	18,861,689
Treasury shares	6	(11,454,993)	(11,496,800)	(11,825,036)
Share based payment reserve		99,740	86,813	-
Other reserves		283,822	283,822	127,851
Cumulative changes in fair values		106,802,414	105,948,839	91,032,272
Foreign currency translation reserve		8,490,832	9,820,822	8,216,557
Retained earnings		94,310,255	95,210,844	78,001,012
<b>Equity attributable to shareholders of the Parent Company</b>		<b>353,538,624</b>	<b>354,860,894</b>	<b>313,316,994</b>
Non-controlling interests		132,002,476	126,237,105	106,582,835
<b>Total equity</b>		<b>485,541,100</b>	<b>481,097,999</b>	<b>419,899,829</b>
<b>Total liabilities and equity</b>		<b>624,595,739</b>	<b>608,771,268</b>	<b>531,918,650</b>

  
Sadoun A. Ali  
Vice Chairman & CEO

  
Tanweer Ahmed Khalfay  
Chief Financial Officer

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.



INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 30 September 2017

	Notes	Three months ended		Six months ended	
		30 September		30 September	
		2017	2016	2017	2016
		KD	KD	KD	KD
Sales and service revenue		43,828,231	37,778,035	90,459,485	77,916,549
Cost of sales and services		(25,471,693)	(22,432,242)	(53,507,771)	(45,797,141)
<b>GROSS PROFIT</b>		<b>18,356,538</b>	15,345,793	<b>36,951,714</b>	32,119,408
Dividend income		65,741	26,491	372,243	336,803
Interest and other income		320,601	53,382	745,994	306,333
Investment income		123,382	81,666	132,728	190,906
Share of results of associates and joint venture		2,997,102	4,140,136	8,939,860	7,655,644
Impairment loss on financial assets available for sale		-	-	(1,661,962)	-
General and administrative expenses		(4,738,099)	(3,051,154)	(9,007,159)	(6,722,429)
Selling and distribution expenses		(7,343,682)	(7,102,705)	(14,623,448)	(14,667,198)
Finance costs		(660,569)	(208,292)	(1,240,884)	(632,757)
Foreign exchange (loss) gain		(2,336)	30,182	(31,735)	32,192
<b>Profit before provision for taxation and board of directors' remuneration</b>		<b>9,118,678</b>	9,315,499	<b>20,577,351</b>	18,618,902
Provision for taxation	7	(117,978)	(155,974)	(255,259)	(312,985)
Board of directors' remuneration		(37,500)	(37,500)	(75,000)	(75,000)
<b>Profit for the period</b>		<b>8,963,200</b>	9,122,025	<b>20,247,092</b>	18,230,917
<b>Attributable to:</b>					
Shareholders of the Parent Company		4,387,346	5,507,284	10,560,914	10,487,657
Non-controlling interests		4,575,854	3,614,741	9,686,178	7,743,260
		<b>8,963,200</b>	9,122,025	<b>20,247,092</b>	18,230,917
<b>Basic earnings per share - attributable to shareholders of the Parent Company</b>	8	<b>4.21 fils</b>	5.29 fils	<b>10.14 fils</b>	10.08 fils
<b>Diluted earnings per share - attributable to shareholders of the Parent Company</b>	8	<b>4.20 fils</b>	5.29 fils	<b>10.12 fils</b>	10.08 fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

For the period ended 30 September 2017

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>KD</b>	KD	<b>KD</b>	KD
<b>Profit for the period</b>	<b>8,963,200</b>	9,122,025	<b>20,247,092</b>	18,230,917
<b>Other comprehensive income (loss) for the period:</b>				
<i>Other comprehensive income (loss) for the period that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
Financial assets available for sale:				
- Net changes in fair value of financial assets available for sale	<b>1,577,873</b>	(26,714)	<b>114,697</b>	19,599
- Net gain on sale of financial assets available for sale transferred to interim condensed consolidated statement of income	<b>(98,389)</b>	(35,606)	<b>(115,684)</b>	(144,846)
- Impairment of financial assets available for sale transferred to interim condensed consolidated statement of income	-	-	<b>1,661,962</b>	-
Changes in associates reserves	<b>(363,026)</b>	(166,004)	<b>(757,599)</b>	(807,566)
Exchange differences arising on translation of foreign operations	<b>(1,824,408)</b>	(712,794)	<b>(3,276,985)</b>	(470,305)
Net gain (loss) on hedge of net investment in foreign operation	<b>316,697</b>	83,341	<b>681,317</b>	(182,173)
<b>Other comprehensive loss for the period</b>	<b>(391,253)</b>	(857,777)	<b>(1,692,292)</b>	(1,585,291)
<b>Total comprehensive income for the period</b>	<b>8,571,947</b>	8,264,248	<b>18,554,800</b>	16,645,626
<b>Attributable to:</b>				
Shareholders of the Parent Company	<b>4,568,585</b>	5,012,133	<b>10,084,499</b>	9,514,470
Non-controlling interests	<b>4,003,362</b>	3,252,115	<b>8,470,301</b>	7,131,156
	<b>8,571,947</b>	8,264,248	<b>18,554,800</b>	16,645,626

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

# Qurain Petrochemical Industries Company K.S.C.P. and Subsidiaries



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2017

	Equity attributable to shareholders of the Parent Company											Total equity KD
	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Share based payment reserve KD	Other reserve KD	Cumulative changes in fair values KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD	Non- controlling interests KD	
As at 1 April 2017 (audited)	109,919,258	22,604,499	22,482,797	(11,496,800)	86,813	283,822	105,948,839	9,820,822	95,210,844	354,860,894	126,237,105	481,097,999
Profit for the period	-	-	-	-	-	-	-	-	10,560,914	10,560,914	9,686,178	20,247,093
Other comprehensive income (loss) for the period	-	-	-	-	-	-	853,575	(1,329,990)	-	(476,415)	(1,215,877)	(1,692,292)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	853,575	(1,329,990)	10,560,914	10,084,499	8,470,301	18,554,800
Sale of treasury shares	-	-	-	41,807	-	-	-	-	-	41,807	-	41,807
Share based payment reserve	-	-	-	-	12,927	-	-	-	-	12,927	-	12,927
Dividends (Note 12)	-	-	-	-	-	-	-	-	(11,461,503)	(11,461,503)	-	(11,461,503)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,870,904)	(8,870,904)
Non-controlling interests arising on business combination (Note 14)	-	-	-	-	-	-	-	-	-	-	6,165,974	6,165,974
<b>As at 30 September 2017</b>	<b>109,919,258</b>	<b>22,604,499</b>	<b>22,482,797</b>	<b>(11,454,993)</b>	<b>99,740</b>	<b>283,822</b>	<b>106,802,414</b>	<b>8,490,832</b>	<b>94,310,255</b>	<b>353,538,624</b>	<b>132,002,476</b>	<b>485,541,100</b>
As at 1 April 2016 (audited)	109,919,258	18,983,391	18,861,689	(11,825,036)	-	124,329	91,388,257	8,833,758	77,915,147	314,200,793	106,034,914	420,235,707
Profit for the period	-	-	-	-	-	-	-	-	10,487,657	10,487,657	7,743,260	18,230,917
Other comprehensive loss for the period	-	-	-	-	-	-	(355,985)	(617,201)	-	(973,186)	(612,105)	(1,585,291)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(355,985)	(617,201)	10,487,657	9,514,471	7,131,155	16,645,626
Dividends (Note 12)	-	-	-	-	-	-	-	-	(10,401,792)	(10,401,792)	-	(10,401,792)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,571,987)	(6,571,987)
Ownership changes in a subsidiary	-	-	-	-	-	3,522	-	-	-	3,522	(11,247)	(7,725)
As at 30 September 2016	109,919,258	18,983,391	18,861,689	(11,825,036)	-	127,851	91,032,272	8,216,557	78,001,012	313,316,994	106,582,835	419,899,829

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.


  
 شركة البتروكيماويات القابضة  
**QURAIN**  
 PETROCHEMICAL INDUSTRIES COMPANY

**Qurain Petrochemical Industries Company K.S.C.P. and Subsidiaries**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**

For the period ended 30 September 2017

	Note	<i>Six months ended</i>	
		<i>30 September</i>	
		<b>2017</b>	<b>2016</b>
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit before taxation and Board of Directors' remuneration		<b>20,577,351</b>	18,618,902
<i>Adjustments for:</i>			
Depreciation and amortization		<b>1,699,198</b>	4,068,329
Investment income		<b>(132,728)</b>	(190,906)
Impairment loss on financial assets available for sale		<b>1,661,962</b>	-
Share of results of associates		<b>(8,939,860)</b>	(7,655,644)
Provision for employees' end of service benefits		<b>849,587</b>	989,851
Share based payment reserve		<b>3,925</b>	-
Finance costs		<b>1,240,884</b>	632,757
		<b>16,960,319</b>	16,463,289
<i>Working capital adjustments:</i>			
Trade and other receivables		<b>5,182,317</b>	1,491,988
Inventories		<b>(7,245,012)</b>	1,155,374
Trade and other payables		<b>4,337,193</b>	3,024,584
Cash from operations		<b>19,234,817</b>	22,135,235
Employees' end of service benefits paid		<b>(957,964)</b>	(246,073)
Dividends received from associates		<b>6,706,450</b>	751,775
Net cash flows from operating activities		<b>24,983,303</b>	22,640,937
<b>INVESTING ACTIVITIES</b>			
Net movement of financial assets available for sale		<b>(963,076)</b>	(5,882,036)
Purchase of property, plant and equipment		<b>(2,097,438)</b>	(3,550,675)
Purchase of investment in associate		-	(1,760,951)
Sale proceeds from disposal of property, plant and equipment		<b>15,000</b>	67,668
Acquisition of subsidiary, net of cash acquired	14	<b>(5,608,706)</b>	-
Purchase of additional investment in a subsidiary		-	(7,725)
Net cash flows used in investing activities		<b>(8,654,220)</b>	(11,133,719)
<b>FINANCING ACTIVITIES</b>			
Dividends paid		<b>(9,785,608)</b>	(8,627,050)
Proceeds from term loans		<b>8,750,000</b>	8,626,950
Repayment of term loans		<b>(7,750,000)</b>	(11,632,775)
Proceeds from sale of treasury shares		<b>37,883</b>	-
Payment of finance costs		<b>(1,240,884)</b>	(632,759)
Dividend paid to non-controlling interest of a subsidiary		<b>(8,557,696)</b>	(6,268,777)
Movement in non-controlling interest		-	(45,487)
Net cash flows used in financing activities		<b>(18,546,305)</b>	(18,579,898)
Effect of foreign currency translation		<b>(597,919)</b>	(47,753)
<b>Net decrease in bank balances and cash</b>		<b>(2,815,141)</b>	(7,120,433)
Bank balances and cash at 1 April		<b>57,790,107</b>	35,460,196
<b>Bank balances and cash at 30 September</b>	4	<b>54,974,966</b>	28,339,763

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

### 1 GENERAL INFORMATION

Qurain Petrochemical Industries Company K.S.C.P. (the "Parent Company") is a Kuwaiti shareholding company established by Amiri Decree No 332/2004 on 10 November 2004. The Parent Company's shares were issued for public subscription by the Ministerial Decree No. 347/2004 on 28 November 2004. The Parent Company's shares are listed on the Kuwait Stock Exchange.

The Parent Company's objectives are as follows:

- To manufacture all types of chemical and petrochemical materials and any other derivatives.
- To sell, purchase, supply, distribute, export and store these materials and participate in all the activities relating to the same including the establishment and lease of the necessary services.
- To participate in Equate Petrochemical Company K.S.C. (Closed), Kuwait Aromatics Company K.S.C. (Closed), Kuwait Styrene Company K.S.C. (Closed) and Kuwait Olefins Company K.S.C. (Closed).
- To contribute in industrial companies as well as finance, manage and trade in its shares.
- To develop industrial and craft zones and projects launched by the State or private sector.
- To establish industrial projects or contribute therein after obtaining the necessary approvals from the Public Authority for Industry and the concerned authorities.

The Parent Company may pursue the above mentioned activities in the State of Kuwait and abroad, originally or by proxy. It may have an interest in or participate in any manner with entities that carry on business activities similar to its own or which may assist the Parent Company in realising its objectives in Kuwait or abroad, and it may buy or otherwise acquire such companies.

The address of the Parent Company's registered office and principal place of business is: 26th Floor, KIPCO Tower, Khalid Bin Al Waleed Street, Sharq, P.O. Box No 29299, Safat 13153, State of Kuwait.

The interim condensed consolidated financial information of the Parent Company and subsidiaries (collectively the "Group") for the six months period ended 30 September 2017 was authorised for issue in accordance with a resolution of the Board of Directors on 25 October 2017.

### 2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2017. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the six months period ended 30 September 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 March 2018. The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is also the functional currency of the Parent Company.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 March 2017, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Parent Company which are effective for annual reporting period starting from 1 April 2017 and did not result in any material impact on the accounting policies, financial position or performance of the Parent Company.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

**3 ESTIMATES AND JUDGEMENTS**

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2017.

**4 BANK BALANCES AND CASH**

	<i>30 September</i> <i>2017</i> <i>KD</i>	<i>(Audited)</i> <i>31 March</i> <i>2017</i> <i>KD</i>	<i>30 September</i> <i>2016</i> <i>KD</i>
Cash in hand	3,235,227	779,676	758,783
Cash at banks	8,709,125	12,871,468	9,631,565
Cash in portfolios	532,209	167,046	343,412
Short term deposits	46,978,705	47,971,916	25,075,711
	<u>59,455,266</u>	<u>61,790,106</u>	<u>35,809,471</u>
Less: Short term deposits with original maturities of more than three months	(4,480,300)	(4,000,000)	-
Less: Bank overdraft	-	-	(7,469,708)
<b>Bank balances and cash for the purpose of interim condensed consolidated statement of cash flows</b>	<u><u>54,974,966</u></u>	<u><u>57,790,106</u></u>	<u><u>28,339,763</u></u>

**5 FINANCIAL ASSETS AVAILABLE FOR SALE**

	<i>30 September</i> <i>2017</i> <i>KD</i>	<i>(Audited)</i> <i>31 March</i> <i>2017</i> <i>KD</i>	<i>30 September</i> <i>2016</i> <i>KD</i>
Quoted equity securities	12,567,236	12,322,289	13,100,867
Debt instruments	5,074,600	5,074,493	5,771,118
Unquoted equity securities	181,433,752	181,420,220	166,998,788
	<u><u>199,075,588</u></u>	<u><u>198,817,002</u></u>	<u><u>185,870,773</u></u>

**6 TREASURY SHARES**

	<i>30 September</i> <i>2017</i> <i>KD</i>	<i>(Audited)</i> <i>31 March</i> <i>2017</i> <i>KD</i>	<i>30 September</i> <i>2016</i> <i>KD</i>
Number of treasury shares	57,245,700	57,454,736	59,095,913
Percentage of issued shares	5.21%	5.23%	5.38%
Weighted average cost	11,454,993	11,496,800	11,825,036
Market value (KD)	19,463,538	19,534,610	11,700,991

An amount equivalent to the cost of purchase of treasury shares have been earmarked as non-distributable from voluntary reserve throughout the holding period of treasury shares.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

**7 PROVISION FOR TAXATION**

	<i>Three months ended 30 September</i>		<i>Six months ended 30 September</i>	
	<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Contribution to Kuwait Foundation for Advancement of Science (“KFAS”)	-	11,739	-	25,619
National Labour Support Tax (“NLST”)	<b>94,908</b>	123,836	<b>222,298</b>	244,897
Zakat	<b>23,070</b>	20,399	<b>32,961</b>	42,469
	<b>117,978</b>	155,974	<b>255,259</b>	312,985

**8 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the profit for the period attributable to the shareholders of the Parent Company by the weighted average number of shares outstanding less treasury shares for the period as follows:

	<i>Three months ended 30 September</i>		<i>Six months ended 30 September</i>	
	<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Profit for the period attributable to the shareholders of the Parent Company	<b>4,387,346</b>	5,507,284	<b>10,560,914</b>	10,487,657
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
Weighted average number of shares outstanding	<b>1,099,192,576</b>	1,099,192,576	<b>1,099,192,576</b>	1,099,192,576
Weighted average number of treasury shares	<b>(57,245,700)</b>	(59,095,913)	<b>(57,336,878)</b>	(59,095,913)
Weighted average number of shares for basic and diluted earnings per share	<b>1,041,946,876</b>	1,040,096,663	<b>1,041,855,698</b>	1,040,096,663
Basic earnings per share attributable to the shareholders of the Parent Company	<b>4.21 fils</b>	5.29 fils	<b>10.14 fils</b>	10.08 fils

***Diluted***

Diluted earnings per share is calculated by dividing the profit for the period attributable to the equity holders of the Parent Company adjusted for the effect of dilutive instruments in profit due to exercise of potential ordinary shares of the Parent Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all employee stock options. The Parent Company has outstanding share options, issued under the Employee Stock Options Plan (ESOP), which have a dilutive effect on earnings.

	<i>Three months ended 30 September</i>		<i>Six months ended 30 September</i>	
	<i>2017 KD</i>	<i>2016 KD</i>	<i>2017 KD</i>	<i>2016 KD</i>
Profit for the period attributable to the shareholders of the Parent Company	<b>4,387,346</b>	5,507,284	<b>10,560,914</b>	10,487,657
	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>	<i>Shares</i>
<b><i>Number of shares outstanding:</i></b>				
Weighted average number of shares outstanding	<b>1,041,946,876</b>	1,040,096,663	<b>1,041,855,698</b>	1,040,096,663
Effect of share options on issue	<b>2,125,674</b>	-	<b>2,125,674</b>	-
	<b>1,043,981,372</b>	1,040,096,663	<b>1,043,981,372</b>	1,040,096,663

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

**8 BASIC AND DILUTED EARNINGS PER SHARE (continued)**

*Diluted (continued)*

Diluted earnings per share attributable to the shareholders of the Parent Company	<b>4.20 fils</b>	5.29 fils	<b>10.12 fils</b>	10.08 fils
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**9 RELATED PARTY BALANCES AND TRANSACTIONS**

Related parties primarily comprise major shareholders, associates, directors, key management personnel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group’s management. Transactions between the group entities have been eliminated on consolidation and are not disclosed in this note.

Balances and transactions with related parties included in the interim condensed consolidated financial information are as follows:

	<i>Associates</i>	<i>Others</i>	<i>30 September</i>	<i>(Audited)</i>	<i>30 September</i>
	<i>KD</i>	<i>KD</i>	<i>2017</i>	<i>31 March</i>	<i>2016</i>
			<i>KD</i>	<i>2017</i>	<i>KD</i>
<b><i>Interim condensed consolidated statement of financial position:</i></b>					
Trade and other receivables	-	140,000	<b>140,000</b>	140,000	47,767
Due from a related party	1,250,000	-	<b>1,250,000</b>	1,250,000	1,250,000

Amount due from a related party does not carry interest and is repayable on demand.

	<i>Associates</i>	<i>Others</i>	<i>Six months ended</i>	
	<i>KD</i>	<i>KD</i>	<i>30 September</i>	
			<i>2017</i>	<i>2016</i>
			<i>KD</i>	<i>KD</i>
<b><i>Interim condensed consolidated statement of income:</i></b>				
Interest and other income	-	14,940	<b>14,940</b>	67,050

***Compensation of key management personnel***

The remuneration of directors and other members of key management during the period were as follows:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short term benefits	<b>411,210</b>	372,894	<b>822,873</b>	773,373
Employees’ end of service benefits	<b>39,030</b>	42,516	<b>78,230</b>	79,905
	<b>450,240</b>	415,410	<b>901,103</b>	853,278

**10 HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS**

Term loans amounting to US Dollar 208,354,147 (31 March 2017: US Dollar 208,354,147 and 30 September 2016: US Dollar 208,354,147) have been designated as a hedge of the net investment in the Group’s subsidiary, Saudia Dairy and Food Stuff Company S.S.C. This borrowing is being used to hedge the Group’s exposure to the US Dollar (“USD”) foreign exchange risk on this investment. Gains or losses on the retranslation of this borrowing are transferred to interim condensed consolidated statement of comprehensive income to offset any gains or losses from translation of net investment in the subsidiary. There is no significant ineffectiveness noted during the period ended on 30 September 2017.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

**11 CONTINGENT LIABILITIES AND COMMITMENTS**

As at 30 September 2017, the Group has a contingent liability amounting to KD 7,140,062 (31 March 2017: KD 7,462,708 and 30 September 2016: KD 797,542) in connection with certain guarantees and credit facilities availed from which the management is not expecting any material liabilities to arise. At 30 September 2017, the Group has outstanding commitments for future capital expenditure amounting to KD 9,154,661 (31 March 2017: KD 8,112,885 and 30 September 2016: KD 5,271,944).

**12 ANNUAL GENERAL ASSEMBLY MEETING**

The Annual General Assembly of shareholders held on 19 June 2017 approved the audited consolidated financial statements of the Group for the year ended 31 March 2017 and approved a cash dividend of 11 fils per share amounting to KD 11,461,503 (31 March 2016: KD 10,401,792).

**13 SEGMENT REPORTING**

For management reporting purposes, the Group is organized into four major operating segments based on internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is the person responsible for allocating resources to and assessing the performance of the operating segments has been identified as the Parent Company's board of directors. The Group does not have material inter-segment transactions.

The principal activities and services under these segments are as follows:

- Investments : Investments are mainly for the long term and are in the petrochemical sector.
- Foodstuff : Mainly manufacture and supply of dairy and foodstuff.
- Manufacturing : Mainly manufacture and supply of chemicals for fiberglass, paint and petrochemical industries and general use.
- Services : Mainly oil field services that comprise of cementing and stimulation formulations for different applications and operating environments for Oil Rigs; and non-oil field services comprising of health, safety, environmental, engineering and consultancy services.

Management monitors operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segmental return on investments.

	<i>Six months ended 30 September 2017</i>				
	<i>Investments</i>	<i>Manufacturing</i>	<i>Foodstuff</i>	<i>Services</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Segment revenue	<u>10,175,826</u>	<u>1,814,946</u>	<u>74,681,051</u>	<u>13,978,487</u>	<u>100,650,310</u>
Segment expenses	<u>(5,606,210)</u>	<u>(1,799,014)</u>	<u>(62,539,107)</u>	<u>(10,128,629)</u>	<u>(80,072,960)</u>
Unallocated expenses	-	-	-	-	(330,258)
Total expenses	<u>(5,606,210)</u>	<u>(1,799,014)</u>	<u>(62,539,107)</u>	<u>(10,128,629)</u>	<u>(80,403,218)</u>
Segment profit for the period	<u>4,569,615</u>	<u>15,933</u>	<u>12,141,944</u>	<u>3,849,858</u>	<u>20,247,092</u>
Segment assets	<u>424,490,114</u>	<u>11,622,565</u>	<u>157,697,949</u>	<u>30,785,111</u>	<u>624,595,739</u>
Segment liabilities	<u>94,163,677</u>	<u>1,029,495</u>	<u>34,993,358</u>	<u>8,868,109</u>	<u>139,054,639</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

13 SEGMENT REPORTING (continued)

	31 March 2017 (Audited)				
	Investments KD	Manufacturing KD	Foodstuff KD	Services KD	Total KD
Segment assets	414,352,895	10,904,384	153,517,441	29,996,548	608,771,268
Segment liabilities	88,145,045	1,014,783	30,913,495	7,599,946	127,673,269

The following table presents information regarding the Group's operating segments:

	Six months ended 30 September 2016			
	Investments KD	Manufacturing KD	Foodstuff KD	Total KD
Segment revenue	8,389,404	1,191,657	76,825,174	86,406,235
Segment expenses	(2,542,389)	(1,270,910)	(63,974,034)	(67,787,333)
Unallocated expenses	-	-	-	(387,985)
Total expenses	(2,542,389)	(1,270,910)	(63,974,034)	(68,175,318)
Segment profit (loss) for the period	5,847,015	(79,253)	12,851,140	18,230,917
Segment assets	384,885,332	8,185,702	138,847,616	531,918,650
Segment liabilities	81,873,828	941,235	29,203,758	112,018,821

14 BUSINESS COMBINATION

On 12 March 2017 (acquisition date) the Group acquired equity interest of 60% in Insha'a Holding Company K.S.C Closed (INSHA). However, Group consolidated the financial statements of INSHA during the period ended 30 June 2017 after completion of certain formalities, which were in process as at 31 March 2017. INSHA is incorporated in the State of Kuwait and the main activities are to invest and establish limited liability companies in Kuwait and outside Kuwait, financing companies in which it owns more than 20% of shares and investing cash surplus in managed portfolios.

The acquisition of INSHA has been accounted based on provisional fair values of identifiable assets and liabilities on the acquisition date and the management is in the process of determining the fair values of assets and liabilities acquired. The consideration paid, the provisional fair values of the assets and liabilities recognised and the non-controlling interest's proportionate share in the recognised amounts of the INSHA's identifiable net assets are summarised as follows:

Assets	KD
Cash and short term funds	2,227,439
Deposits with banks	480,300
Inventories	687,784
Amount due from related parties	15,085
Trade and other receivables	3,377,716
Intangible assets	1,449,816
Property, plant and equipment	6,160,372
Financial assets available for sale	13,784
	<b>14,412,296</b>



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

**14 BUSINESS COMBINATION (continued)**

	<i>KD</i>
<b>Liabilities</b>	
Trade and other payables	3,000,918
Term loans	1,586,412
Employees' end of service benefits	293,244
	<u><b>4,880,574</b></u>
Net assets	9,531,722
Non-controlling interests	(6,165,974)
	<u><b>3,365,748</b></u>
Provisional fair value of net assets acquired by the Group	<u><b>3,365,748</b></u>
Consideration paid	7,836,145
Less: net assets acquired by the Group	(3,365,748)
Provisional goodwill	<u><b>4,470,397</b></u>
Cash and cash equivalents in subsidiary acquired	2,227,439
Consideration paid	(7,836,145)
	<u><b>5,608,706</b></u>

The interim condensed consolidated statement of income of the Group for the period includes profit attributable to the equity holders of the Parent Company amounting to KD 255,325 of INSHA. Had the acquisition of INSHA taken place at the beginning of the year, the revenue of the Group for the period and the profit attributable to the equity holders of the Parent Company would not have been materially impacted.

**15 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and financial liabilities.

For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), the carrying amount approximates their fair value. The fair values of other financial instruments, are not materially different from their carrying values.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and other models as appropriate.

**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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at 30 September 2017

15 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<i>Level 1</i> <i>KD</i>	<i>Level 3</i> <i>KD</i>	<i>Total fair value</i> <i>KD</i>
<b>30 September 2017</b>			
<i>Financial assets available for sale:</i>			
Quoted equity securities	12,567,234	-	12,567,234
Unquoted equity securities	-	181,433,752	181,433,752
	<u>12,567,234</u>	<u>181,433,752</u>	<u>194,000,986</u>
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equity securities	35,640	-	35,640
Fund and managed portfolios	-	2,392,038	2,392,038
	<u>35,640</u>	<u>2,392,038</u>	<u>2,427,678</u>
<b>31 March 2017 (Audited)</b>			
<i>Financial assets available for sale:</i>			
Quoted equity securities	12,322,289	-	12,322,289
Unquoted equity securities	-	181,420,220	181,420,220
	<u>12,322,289</u>	<u>181,420,220</u>	<u>193,742,509</u>
<i>Financial assets at fair value through profit or loss:</i>			
Quoted equity securities	30,360	-	30,360
Fund and managed portfolios	-	2,366,594	2,366,594
	<u>30,360</u>	<u>2,366,594</u>	<u>2,396,954</u>
<b>30 September 2016</b>			
<i>Financial assets available for sale:</i>			
Quoted equity securities	13,100,867	-	13,100,867
Unquoted equity securities	-	166,998,788	166,998,788
	<u>13,100,867</u>	<u>166,998,788</u>	<u>180,099,655</u>

During the six months period ended 30 September 2017, there were no transfers between the hierarchies and there was no major movement in level 3.