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GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016
WITH REVIEW REPORT
(UNAUDITED)

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AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016
WITH REVIEW REPORT
(UNAUDITED)

Contents

Review report	
	Exhibit
Interim condensed statement of financial position (Unaudited)	A
Interim condensed statement of comprehensive income (Unaudited)	B
Interim condensed statement of changes in shareholders' equity (Unaudited)	C
Interim condensed statement of cash flows (Unaudited)	D
	Page
Notes to the interim condensed financial information (Unaudited)	1 - 5

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REVIEW REPORT

The Shareholders
Gulfa Mineral Water
and Processing Industries CO. PLC
Ajman – United Arab Emirates

Review Report on the Interim Condensed Financial Information

Introduction
We have reviewed the accompanying interim condensed statement of financial position of Gulfa Mineral Water and Processing Industries Co. PLC as of March 31, 2016, the related interim condensed statements of comprehensive income, cash flows and changes in shareholders' equity for the three months period then ended. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard No (34) "Interim Financial Reporting". 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 the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity".

A review of interim condensed 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 came to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

Report on review of other legal and regulatory matters
Furthermore, based on our review, the interim condensed financial information is in agreement with the books of the Company. Also, to the best of our knowledge and belief, no violations of the Commercial Companies' Law of 1984, as amended, nor of the Company's Articles of Association have occurred during the three months ended March 31, 2016 that might have had a material effect on the business of the Company or on its financial position.

Hikmat Mukhaimer FCCA
Registration No.: 355
Rödl Middle East
Certified Public Accountants

April 24, 2016
Dubai – U.A.E.

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GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES

Exhibit-A

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2016
(UNAUDITED)
(All amounts are in U.A.E. Dirham)

	Notes	March 31, 2016 (unaudited)	December 31, 2015 (audited)
ASSETS			
Current assets			
Cash and cash equivalents	3	**20,592,890**	22,535,875
Trade receivables	4	**10,327,012**	10,373,670
Inventories	5	**5,430,669**	5,998,582
Other receivables	6	**1,704,743**	909,478
Due from related parties	7	**541,294**	345,432
Total current assets		**38,596,608**	40,163,037
Non - Current assets			
Property, plant and equipment	8	**11,670,962**	11,958,975
Refundable deposits		**732,832**	732,832
Total non - current assets		**12,403,794**	12,691,807
Total assets		**51,000,402**	52,854,844
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		**2,256,182**	2,837,850
Other payables and provisions	9	**4,678,791**	5,679,774
Dividends payable		**172,557**	172,557
Due to related parties	7	**212,789**	217,352
Total current liabilities		**7,320,319**	8,907,533
Non - current liabilities			
Provision for indemnity		**8,031,376**	7,960,902
Total non – current liabilities		**8,031,376**	7,960,902
Shareholders' equity			
Paid up capital	10	**25,000,000**	25,000,000
Statutory reserve	11	**5,752,342**	5,752,342
Voluntary reserve	12	**767,937**	767,937
Retained earnings		**4,128,428**	4,466,130
Total shareholders' equity		**35,648,707**	35,986,409
Total liabilities and shareholders' equity		**51,000,402**	52,854,844

Those interim financial statements were approved by the board of directors on April 24, 2016 and signed on their behalf by:

Mr. Adel Fahmy
General Manager

Mr. Ahmad Sobhi
Deputy Finance Manager

The accompanying notes form an integral part of these interim condensed financial information.

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GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES

Exhibit-B

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)
(All amounts are in U.A.E. Dirham)

	Notes	March 31, 2016 (unaudited)	March 31, 2015 (unaudited)
Sales		**10,678,916**	12,346,957
Sales discounts		**(368,969)**	(368,514)
Net sales		**10,309,947**	11,978,443
Cost of sales		**(7,782,577)**	(8,453,414)
Gross profit		**2,527,370**	3,525,029
Other income		**247,165**	235,379
Total revenues		**2,774,535**	3,760,408
Expenses and other charges			
Selling and marketing expenses		**1,358,693**	1,169,077
General and administrative expenses		**1,253,544**	1,401,331
Concession fee provision for Ajman Government	13	**500,000**	500,000
Total expenses and other charges		**(3,112,237)**	(3,070,408)
Net (loss) profit for the period		**(337,702)**	690,000
(Loss) earning per share	14	**(0.014)**	0.028

The accompanying notes form an integral part of these interim condensed financial information.

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GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES

Exhibit-C

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)
(All amounts are in U.A.E. Dirham)

	Paid up capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
Balance at January 1, 2015	25,000,000	5,647,621	767,937	19,773,639	51,189,197
Dividends distributed	-	-	-	(16,250,000)	(16,250,000)
Net profit for the period	-	-	-	690,000	690,000
Balance at March 31, 2015	25,000,000	5,647,621	767,937	4,213,638	35,629,196
Balance at January 1, 2016	25,000,000	5,752,342	767,937	4,466,130	35,986,409
Net (loss) for the period	-	-	-	(337,702)	(337,702)
Balance at March 31, 2016	**25,000,000**	**5,752,342**	**767,937**	**4,128,428**	**35,648,707**

The accompanying notes form an integral part of these interim condensed financial information.

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GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES

Exhibit-D

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)
(All amounts are in U.A.E. Dirham)

	March 31, 2016 (unaudited)	March 31, 2015 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) profit for the period	**(337,702)**	690,000
Adjustments:		
Depreciation	**651,083**	1,142,729
Provision for indemnity	**70,474**	95,397
Net changes in working capital items	**(1,763,345)**	(483,071)
Net cash (used in) from operating activities	**(1,379,490)**	1,445,055
Cash flows from investing activities		
Purchase of property, plant and equipment	**(363,070)**	(139,800)
Net cash (used in) investing activities	**(363,070)**	(139,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Related parties	**(200,425)**	(138,275)
Net cash (used in) financing activities	**(200,425)**	(138,275)
Net (decrease) increase in cash and cash equivalents	**(1,942,985)**	1,166,980
Cash and cash equivalents at the beginning of the period	**22,535,875**	28,295,431
Cash and cash equivalents at the end of period	**20,592,890**	29,462,411

The accompanying notes form an integral part of these interim condensed financial information.

**GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)**
(All amounts are in U.A.E. Dirham unless otherwise stated)

1 COMPANY'S FORMATION AND ACTIVITIES

Gulfa Mineral Water and Processing Industries Co. – PLC – the company was established in Ajman by an Emiri Decree Number 13 issued by H.H. the Ruler of Ajman on March 28, 1977. The company started operations on May 24, 1977. The company has fulfilled all the requirements of the Commercial Federal Law Number 8 of 1984 and its subsequent amendments as per the decision of the Annual General Meeting ("AGM") in its extra ordinary meeting held on February 20, 1993.

The company owns and manages "Gulfa Mineral Water Plant" in Masfout – Ajman. It's main activities extends to production and bottling of mineral water, juices, soft drinks, food stuff Preforms and Screw Caps, in addition to marketing the products of such plants.

2 BASIS OF PRESENTATION

The interim condensed financial information has been prepared in compliance with the International Accounting Standard No. 34 which related to the interim financial information. The interim condensed financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The operating results for the interim period ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. For further information, refer to the financial statements and notes thereto included in the company's annual report for the year ended December 31, 2015.

3 CASH AND CASH EQUIVALENTS

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
Cash on hand	**205,966**	-
Cash at bank – current	**11,800,791**	15,150,618
Cash at bank – call deposits	**8,586,133**	7,385,257
	20,592,890	22,535,875

The call deposits earn annual interest rate of 0.05% (0.05% in 2015).

4 TRADE RECEIVABLES

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
Trade receivables	**12,601,319**	12,451,908
Allowance for doubtful debts	**1,333,904**	1,529,973
	13,935,223	13,981,881
Bad debts provision	**(3,608,211)**	(3,608,211)
	10,327,012	10,373,670

**GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)**
(All amounts are in U.A.E. Dirham unless otherwise stated)

5 INVENTORIES

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
Raw materials	**2,487,710**	3,131,631
Spare parts	**2,434,416**	2,368,682
Finished products	**818,280**	808,006
Total inventory	**5,740,406**	6,308,319
Allowance for slow moving inventories	**(309,737)**	(309,737)
	5,430,669	5,998,582

6 OTHER RECEIVABLES

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
Prepaid expenses and others	**1,311,827**	405,560
Advances to suppliers	**282,516**	393,518
Staff receivable	**110,400**	110,400
	1,704,743	909,478

7 RELATED PARTIES

Related parties comprise of the major shareholders, Board of Directors, entities controlled by them or under their joint control, executive officers, key management personnel and their close family members. The parent company approves the terms and conditions of related parties transactions. The amount due from / to related parties does not attract interest although there are no defined repayment arrangements. The transactions between affiliates represent financial transaction.

The balances with related parties at period end are as follows:

	Due from related parties	Due to related parties
Gulf food industries (California Garden)	**541,294**	**-**
Kuwait food company – (Americana), Head office, Kuwait	**-**	**212,789**
	541,294	**212,789**

**GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)**
(All amounts are in U.A.E. Dirham unless otherwise stated)

8 PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery and equipments	Furniture and fixture	Motor vehicles	Total
Cost:						
Balance at December 31, 2015	243,000	19,912,522	49,598,831	3,439,433	2,519,368	75,713,154
Additions	-	48,500	306,170	8,400	-	363,070
At March 31, 2016	**243,000**	**19,961,022**	**49,905,001**	**3,447,833**	**2,519,368**	**76,076,224**
Depreciation:						
Balance at December 31, 2015	-	13,821,922	44,549,326	3,001,962	2,380,969	63,754,179
Charges for the period	-	119,689	479,665	35,529	16,200	651,083
At March 31, 2016	**-**	**13,941,611**	**45,028,991**	**3,037,491**	**2,397,169**	**64,405,262**
Net book values:						
At March 31, 2016	**243,000**	**6,019,411**	**4,876,010**	**410,342**	**122,199**	**11,670,962**
At December 31, 2015	243,000	6,090,600	5,049,505	437,471	138,399	11,958,975

9 OTHER PAYABLES AND PROVISIONS

	March 31, 2016 (unaudited)	December 31, 2015 (audited)
Post dated cheques	-	991,575
Accrued expenses	3,377,489	3,868,110
Others	1,301,302	820,089
	4,678,791	5,679,774

10 AUTHORIZED AND FULLY PAID CAPITAL

In its extra ordinary meeting on December 6, 2006, the general assembly of the company has agreed to increase the authorized capital of the company from AED 13,357,820 (AED Thirteen million three hundred fifty seven thousand eight hundred and twenty only) to a AED 40,000,000 (AED Forty million only) with the objective of increasing the paid up capital to AED 25,000,000 (AED Twenty five million only) as a first stage of public offering, while the balance is to be called in future dates to be determined by the board of Directors.

11 STATUTORY RESERVE

As required by the company law of United Arab Emirates, 10% of the profit for the year is to be transferred to statutory reserve.
The shareholders may resolve to discontinue such annual transfers as reserve equals one half of the share capital. The reserve is not available for distribution.

**GULFA MINERAL WATER
AND PROCESSING INDUSTRIES CO. PLC
AJMAN – UNITED ARAB EMIRATES**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)**
(All amounts are in U.A.E. Dirham unless otherwise stated)

12 VOLUNTARY RESERVE

In compliance with the company's articles of association, the board of directors determines a percentage of net profit to be transferred to voluntary reserve.

13 CONCESSION FEES PROVISION FOR AJMAN GOVERNMENT

In accordance with a letter dated February 18, 2013, received from the Ruler's Court of Ajman, the Ajman Government agreed to receive a sum of AED 2,000,000 (AED Two million only) as an annual concession fee from the company for a period of three years effective January 1, 2013 to December 31, 2015. Said concession fee payment has been extended for one more year from January 1, 2016 to December 31, 2016.

14 (LOSS) EARNING PER SHARE

	March 31, 2016 (Unaudited)	March 31, 2015 (Unaudited)
(Loss) profit for the period	**(337,702)**	690,000
Weighted average number of ordinary shares for purposes of basic earnings	**25,000,000**	25,000,000
(Loss) earning per share	**(0.013)**	0.028

15 CONTINGENT LIABILITIES

	March 31, 2016 (Unaudited)	March 31, 2015 (Unaudited)
Letters of guarantee	**300,000**	330,000
	300,000	330,000

16 FAIR VALUE OF FINANCIAL INSTRUMENTS

The director believes that at March 31, 2016 the fair values of financial instruments approximate their carrying amounts.

17 FINANCIAL INSTRUMENT

a) Credit risk

Financial assets, which potentially subject the branch to credit risk, consist principally of cash at banks and accounts receivable. The branch cash is placed with high credit rating financial institutions and receivables are presented net of allowance for doubtful debts. Credit risk with respect to receivables is limited due to the large number of customers and their dispersion across different industries.

b) Interest rate risk
The effective interest rates and the periods in which interest bearing financial assets and liabilities are reprised or mature are indicated in the respective notes.

c) Currency risk
The branch ensures that the net exposure is kept to an acceptable level, by dealing in currencies that do not fluctuate significantly against the U.A.E. Dhs.

18 GENERAL ASSEMBLY OF SHAREHOLDERS

The ordinary general assembly of shareholders has been held on April 18, 2016 and approved the financial statements for the year ended December 31, 2015. and resolved to increase the share capital of the company to AED 30 million by transferring the required amount from retained earnings and voluntary reserves.

19 APROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the management on April 24, 2016.