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

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
WITH REVIEW REPORT
(UNAUDITED)

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

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
WITH REVIEW REPORT
(UNAUDITED)

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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 September 30, 2016, the related interim condensed statements of comprehensive income, cash flows and changes in shareholders' equity for the nine 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".

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 nine months ended September 30, 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

October 16, 2016
Dubai – U.A.E.

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Exhibit-A

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2016
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	Notes	September 30, 2016 (unaudited)	December 31, 2015 (audited)
ASSETS			
Current assets			
Cash and cash equivalents	3	**15,399,473**	22,535,875
Trade receivables	4	**16,170,385**	10,373,670
Inventories	5	**6,709,915**	5,998,582
Other receivables	6	**4,654,319**	909,478
Due from related parties	7	**529,850**	345,432
Total current assets		**43,463,942**	40,163,037
Non - Current assets			
Property, plant and equipment	8	**11,084,620**	11,958,975
Refundable deposits		**737,832**	732,832
Total non - current assets		**11,822,452**	12,691,807
Total assets		**55,286,394**	52,854,844
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade payables		**3,275,068**	2,837,850
Other payables and provisions	9	**4,930,052**	4,978,282
Dividends payable		**822,374**	874,049
Due to related parties	7	**276,895**	217,352
Total current liabilities		**9,304,389**	8,907,533
Non - current liabilities			
Provision for indemnity		**8,173,342**	7,960,902
Total non – current liabilities		**8,173,342**	7,960,902
Shareholders' equity			
Paid up capital	10	**30,000,000**	25,000,000
Statutory reserve	11	**5,752,342**	5,752,342
Voluntary reserve	12	**234,067**	767,937
Retained earnings		**1,822,254**	4,466,130
Total shareholders' equity		**37,808,663**	35,986,409
Total liabilities and shareholders' equity		**55,286,394**	52,854,844

Those interim financial statements were approved by the board of directors on October 16, 2016 and signed on its 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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Exhibit-B

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	Notes	Three month ended		Nine month ended	
		September 30, 2016 (unaudited)	September 30, 2015 (unaudited)	**September 30, 2016 (unaudited)**	September 30, 2015 (unaudited)
Sales		**12,455,801**	14,820,225	**36,292,888**	43,263,715
Sales discounts		**(185,991)**	(1,121,444)	**(766,177)**	(2,137,381)
Net sales		**12,269,810**	13,698,781	**35,526,711**	41,126,334
Cost of sales		**(8,495,602)**	(9,697,969)	**(25,075,114)**	(28,098,859)
Gross profit		**3,774,208**	4,000,812	**10,451,597**	13,027,475
Other income		**187,741**	64,430	**745,899**	501,133
Provision no longer required		**-**	-	**841,633**	-
Total revenues		**3,961,949**	4,065,242	**12,039,129**	13,528,608
Expenses and other charges					
Selling and marketing expenses		**1,412,090**	958,588	**4,590,413**	3,422,141
General and administrative expenses		**1,383,788**	1,602,277	**4,126,462**	4,340,595
Concession fee provision for Ajman Government	13	**500,000**	500,000	**1,500,000**	1,500,000
Total expenses and other charges		**(3,295,878)**	(3,060,865)	**(10,216,875)**	(9,262,736)
Net profit for the period		**666,071**	1,004,377	**1,822,254**	4,265,872
Earnings per share	14	**0.022**	0.034	**0.061**	0.142

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

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Exhibit-C

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

INTERIM CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	-	-	-	4,265,872	4,265,872
Balance at September 30, 2015	25,000,000	5,647,621	767,937	7,789,511	39,205,069
Balance at January 1, 2016	25,000,000	5,752,342	767,937	4,466,130	35,986,409
Increase in capital – note 10	5,000,000	-	(533,870)	(4,466,130)	-
Net profit for the period	-	-	-	1,822,254	1,822,254
Balance at September 30, 2016	**30,000,000**	**5,752,342**	**234,067**	**1,822,254**	**37,808,663**

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

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Exhibit-D

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)
"All amounts are in U.A.E. Dirham"

	September 30, 2016 (unaudited)	September 30, 2015 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	**1,822,254**	4,265,872
Adjustment:		
Depreciation	**1,607,011**	2,732,569
Provision for indemnity	**212,440**	860,049
Net changes in working capital items	**(9,868,901)**	(2,854,257)
Net cash (used in) from operating activities	**(6,227,196)**	5,004,233
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(732,656)**	(922,575)
Net cash (used in) investing activities	**(732,656)**	(922,575)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends payable	**(51,675)**	(15,523,241)
Related parties	**(124,875)**	(592,261)
Net cash (used in) financing activities	**(176,550)**	(16,115,502)
Net (decrease) in cash and cash equivalents	**(7,136,402)**	(12,033,844)
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	**15,399,473**	16,261,587

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 NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)**
"All amounts are in U.A.E. Dirham unless otherwise stated"

1 COMPANY'S INFORMATION 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 September 30, 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

	September 30, 2016 (unaudited)	December 31, 2015 (audited)
Petty cash	**192,000**	-
Cash at bank – current	**5,232,333**	15,150,618
Cash at bank – call deposits	**9,975,140**	7,385,257
	15,399,473	22,535,875

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)
"All amounts are in U.A.E. Dirham unless otherwise stated"

4 TRADE RECEIVABLES

	September 30, 2016 (unaudited)	December 31, 2015 (audited)
Trade receivables	**18,772,689**	12,451,908
Cheques under collection	**227,500**	1,529,973
	19,000,189	13,981,881
Allowance for doubtful debts	**(2,829,804)**	(3,608,211)
	16,170,385	10,373,670

5 INVENTORIES

	September 30, 2016 (unaudited)	December 31, 2015 (audited)
Raw materials	**3,906,796**	3,131,631
Spare parts	**2,437,746**	2,368,682
Finished products	**611,884**	808,006
Total inventories	**6,956,426**	6,308,319
Allowance for slow moving inventories	**(246,511)**	(309,737)
	6,709,915	5,998,582

6 OTHER RECEIVABLES

	September 30, 2016 (unaudited)	December 31, 2015 (audited)
Prepaid expenses and others	**1,256,410**	405,560
Advances to suppliers	**3,315,059**	393,518
Others	**82,850**	110,400
	4,654,319	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.

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)**
"All amounts are in U.A.E. Dirham unless otherwise stated"

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

	Due from	Due to
Gulf Food Industries (California Garden)	529,850	-
Kuwait Food Company – (Americana), Head Office, Kuwait	-	276,895
	529,850	276,895

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 for the period	-	101,500	609,236	21,920	-	732,656
Disposals	-	-	-	(78,016)	-	(78,016)
Balance at September 30, 2016	**243,000**	**20,014,022**	**50,208,067**	**3,383,337**	**2,519,368**	**76,367,794**
Depreciation:						
Balance at December 31, 2015	-	13,821,922	44,549,326	3,001,962	2,380,969	63,754,179
Depreciation for the period	-	347,354	1,111,043	100,014	48,600	1,607,011
Disposals	-	-	-	(78,016)	-	(78,016)
Balance at September 30, 2016	**-**	**14,169,276**	**45,660,369**	**3,023,960**	**2,429,569**	**65,283,174**
Net book values:						
Balance at September 30, 2016	**243,000**	**5,844,746**	**4,547,698**	**359,377**	**89,799**	**11,084,620**
Balance at December 31, 2015	243,000	6,090,600	5,049,505	437,471	138,399	11,958,975

9 OTHER PAYABLES AND PROVISIONS

	September 30, 2016 (unaudited)	December 31, 2015 (audited)
Post dated cheques	174,971	991,575
Accrued expenses	3,965,351	3,166,618
Others	789,730	820,089
	4,930,052	4,978,282

**GULFA MINERAL WATER
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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)**
"All amounts are in U.A.E. Dirham unless otherwise stated"

10 PAID UP 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) and on April 18, 2016 the ordinary general assembly of the company decided to increase the paid up capital to AED 30,000,000 by distributing a bonus shares worth 20% of the capital and balance amount from voluntary reserve, while the balance is to be called in future dates to be determined by the board of Director.

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.

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.
During the period, transferring the amount AED 533,870 from voluntary reserves to paid-up capital account.

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 EARNINGS PER SHARE

	September 30, 2016	September 30, 2015
Profit for the period	**1,822,254**	4,265,872
Weighted average number of ordinary shares for the purpose of basic earnings per share	**30,000,000**	30,000,000
Earnings per share	**0.061**	0.142

15 CONTINGENT LIABILITIES

	September 30, 2016	September 30, 2015
Letters of guarantee	**300,000**	330,000
	300,000	330,000

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016
(UNAUDITED)**
"All amounts are in U.A.E. Dirham unless otherwise stated"

16 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.

17 FINANCIAL INSTRUMENTS

The Company in the normal course of business uses various types of financial instruments. Information on financial risks and fair value of these financial instruments are set out below.

a) Credit risk
Financial assets, which potentially subject the company to credit risk, consist principally of cash at banks and accounts receivable. The company 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 company 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 APROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Management on October 16, 2016.