

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim Condensed Financial Information for**  
**The Six Months Ended June 30, 2017**  
**(Unaudited)**  
**with**  
**Independent auditors' review report**

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim Condensed Financial Information for**  
**The Six Months Ended June 30, 2017**  
**(Unaudited)**  
**with**  
**Independent auditors' review report**

**Contents**

Independent auditors' review report on the interim condensed financial information

Interim condensed statement of financial position (Unaudited)

Interim condensed statement of profit or loss and other comprehensive income (Unaudited)

Interim condensed statement of changes in equity (Unaudited)

Interim condensed statement of cash flows (Unaudited)

Exhibit

A

B

C

D

Notes to the interim condensed financial information (Unaudited)

Page

1 - 6

### Ali Al Hassawi & Partners

P.O. Box: 22351 Safat 13084 Kuwait  
Sharq - Dasman Complex - Block 2 - 9 Floor  
Tel 22464574-6 / 22426862-3 Fax: 22414956  
Email: [info-kuwait@rodme.com](mailto:info-kuwait@rodme.com)  
[www.rodme.com](http://www.rodme.com)

Hind Abdulla Alsurayea & Co. - Certified Accountants  
P.O.Box 23105 - Safat, 13092 - Kuwait  
Tel: +965 22470462/4  
Fax: +965 22470463  
Email: [info@mazars.com.kw](mailto:info@mazars.com.kw)  
Web: [www.mazars.com.kw](http://www.mazars.com.kw)

**The Board of Directors**  
**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

### Independent auditors' review report on the interim condensed financial information

#### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Eid Food Company K.S.C. (Public) as of June 30, 2017 and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended. The management of the company 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.

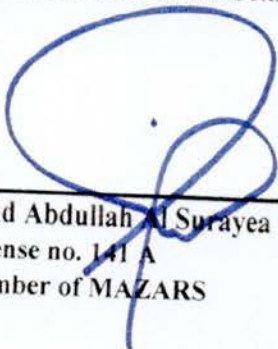
#### Conclusion

Based on our review, nothing has come 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 other legal and regulatory matters

Furthermore, based on our review, the interim condensed financial information is in agreement with the accounting books of the Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law no. 1 of year 2016 and related Executive Regulations or the Company's memorandum and articles of association, as amended, have occurred during the six month period ended June 30, 2017 that might have had a material effect on the business of the Company or on its interim condensed financial position.

  
Abdulhussain M. Al-Rasheed  
License No. 67 - (A)  
Rödl Middle East - Burgan  
International Accountants

  
Hind Abdulla Al Surayea  
License no. 141 A  
Member of MAZARS

August 9, 2017  
State of Kuwait


**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of financial position as of June 30, 2017**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinar"*

	Note	June 30, 2017	December 31, 2016 (audited)	June 30, 2016
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents		361,540	595,369	371,906
Accounts receivable and other debit balances	3	11,630,256	10,916,046	9,788,963
Inventory	4	8,647,560	8,133,443	7,555,081
		<u>20,639,356</u>	<u>19,644,858</u>	<u>17,715,950</u>
<b>Non-current assets</b>				
Intangible assets		42,508	85,008	127,509
Property and equipment	6	329,501	366,601	391,700
		<u>372,009</u>	<u>451,609</u>	<u>519,209</u>
<b>Total assets</b>		<u>21,011,365</u>	<u>20,096,467</u>	<u>18,235,159</u>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Murabaha payables		4,351,997	4,436,519	2,365,108
Accounts payable and other credit balances	7	260,157	248,177	224,825
		<u>4,612,154</u>	<u>4,684,696</u>	<u>2,589,933</u>
<b>Non-current liabilities</b>				
Murabaha payables		1,754,123	1,523,672	2,500,046
Provision for end of service indemnity		225,744	213,635	200,789
		<u>1,979,867</u>	<u>1,737,307</u>	<u>2,700,835</u>
<b>Equity</b>				
Share capital	8	10,045,588	10,045,588	10,045,588
Statutory reserve		1,233,864	1,233,864	1,090,920
Voluntary reserve		304,080	304,080	161,136
Retained earnings		2,835,812	2,090,932	1,646,747
		<u>14,419,344</u>	<u>13,674,464</u>	<u>12,944,391</u>
<b>Total liabilities and equity</b>		<u>21,011,365</u>	<u>20,096,467</u>	<u>18,235,159</u>

  
**Fahed Saud Al Mutairy**  
**Chairman**

  
**Abdullah Saud Al Mutairy**  
**Vice Chairman and Chief**  
**executive officer**

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

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of profit or loss and other comprehensive income for the six months ended June 30, 2017**  
**(Unaudited)**  
*"All amounts are in Kuwaiti Dinars"*

	Note	The three months ended June 30		The six months ended June 30	
		2017	2016	2017	2016
<b>Revenue</b>					
Sales		4,151,722	3,427,042	8,124,316	6,974,001
Cost of sales	9	(3,450,552)	(2,867,622)	(6,790,710)	(5,843,516)
Gross profit of sales		701,170	559,420	1,333,606	1,130,485
Other income		19,277	27,269	72,891	69,084
Total revenue		720,447	586,689	1,406,497	1,199,569
<b>Expenses and other charges</b>					
General and administrative expenses		176,661	143,444	314,753	254,109
Finance charges		95,518	68,930	203,775	175,800
Depreciation and amortization		39,800	39,800	79,600	79,600
Provisions		16,167	12,608	28,763	24,766
Total expenses and other charges		328,146	264,782	626,891	534,275
<b>Net profit for the period before KFAS, Zakat and National Labour Support Tax</b>					
		392,301	321,907	779,606	665,294
Contribution to Kuwait Foundation for the Advancement of Science		(3,530)	(2,898)	(7,016)	(5,988)
Zakat		(3,985)	(3,279)	(7,917)	(6,771)
National Labour Support Tax		(9,962)	(8,199)	(19,793)	(16,929)
<b>Net profit for the period</b>		374,824	307,531	744,880	635,606
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		374,824	307,531	744,880	635,606
Earning per share/(Fils)	10	3.73	3.06	7.41	6.33

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

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of changes in equity for the six months ended June 30, 2017**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinars"*

	Share capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
Balance at January 1, 2016	10,045,588	1,090,920	161,136	1,011,141	12,308,785
Net profit for the period	-	-	-	635,606	635,606
Balance at June 30, 2016	<u>10,045,588</u>	<u>1,090,920</u>	<u>161,136</u>	<u>1,646,747</u>	<u>12,944,391</u>
Balance at January 1, 2017	10,045,588	1,233,864	304,080	2,090,932	13,674,464
Net profit for the period	-	-	-	744,880	744,880
<b>Balance at June 30, 2017</b>	<u><b>10,045,588</b></u>	<u><b>1,233,864</b></u>	<u><b>304,080</b></u>	<u><b>2,835,812</b></u>	<u><b>14,419,344</b></u>

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

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Interim condensed statement of cash flows for the six months ended June 30, 2017**  
**(Unaudited)**  
*"All amounts are in Kuwaiti Dinars"*

	<u>The six months ended June 30</u>	
	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities</b>		
Net profit for the period	744,880	635,606
<b>Adjustments:</b>		
Depreciation and amortization	79,600	79,600
Provision for end of service indemnity	12,109	11,855
Finance charges	203,775	175,800
Adjusted profit before changes in working capital items	1,040,364	902,861
Accounts receivable and other debit balances	(714,210)	591,658
Inventory	(514,117)	(7,831)
Accounts payable and other credit balances	11,980	7,689
Net cash (used in)/generated from operating activities	<u>(175,983)</u>	<u>1,494,377</u>
<b>Cash flows from financing activities</b>		
Murabaha payables	145,929	(1,272,089)
Finance charges paid	(203,775)	(175,800)
Net cash used in financing activities	<u>(57,846)</u>	<u>(1,447,889)</u>
Net (decrease)/increase in cash and cash equivalents	(233,829)	46,488
Cash and cash equivalents at beginning of the period	595,369	325,418
<b>Cash and cash equivalents at end of the period</b>	<u>361,540</u>	<u>371,906</u>

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

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Notes to the interim condensed financial information for the six months ended June 30, 2017**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinar unless stated otherwise"*

---

**1- Company's formation and activities**

Al Eid for General Trading and Contracting Company (Abdullah Saud Murdy Al Mutairy and Partners) was incorporated as W.L.L Company in accordance with the Articles of Association dated on March 4, 1994 and subsequent amendments.

The legal entity of the company has been transferred from (limited liability company) to a kuwaiti shareholding company (Public), under the name of Al Eid Food Company as per the Articles of Association dated on June 2, 2004 through transferring all assets and obligations to the new company based on evaluation made by an independent expert.

The objectives for which the company was established, are as follows:

- Managing and operating all works related to nutrition supplies in restaurants, hospitals, schools, universities, companies, factories and military camps, parks, commercial and residential complexes, clubs, institutes, entertainment cities, guest houses, residential houses, theaters, cinemas, recreational, sports and tourism projects and shops in various grades and levels including all indigenous and assistance services and facilities thereto and other necessary services, whether directly or to the favor of others.
- Making food and beverages, foodstuffs and other consumables (after the approval of the General Authority of Industry), importing, selling, packaging, storage and distributing in the manner that the company deems appropriate, in wholesale or retail.
- Opening and managing restaurants, including fast-food restaurants.
- Purchasing and importing devices, supplies and equipment necessary for the implementation of the objectives of the company.
- Representing companies and participating in similar tenders that are similar to these purposes.
- Owning movables and real estate that are necessary to conduct its activities to acceptable limits in accordance with the law.
- Utilizing the financial surpluses that are available to the company through investing them in financial portfolios managed by specialized companies and authorities.

The company may conduct the previous mentioned business objectives inside and outside the State of Kuwait by itself or as an agent.

The company has the right to participate or subscribe in any way, in other institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to construct, participate or purchase these institutions or join them.

The postal address of the company is: Ardiya – P.O. Box 41081, Post Code 85851 Kuwait.

The interim condensed financial information for the six months ended June 30, 2017 was authorized for issue by the Board of Directors on August 9, 2017.



**Al Eid Food Company**

K.S.C. (Public)

Kuwait

**Notes to the interim condensed financial information for six months ended June 30, 2017**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinar unless stated otherwise"*

**2- Significant Accounting Policies****2/1) Basis of preparation**

The interim condensed financial information of the Company has been prepared in accordance with IAS 34, "*Interim Financial Reporting*". Accordingly, it does not include all of the information's and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of the annual audited financial statements of the Company for the financial year ended December 31, 2016.

During the period the Company has adopted all the standards that came into effect for annual periods beginning January 1, 2017. The adoption of these standards did not have any material impact on this interim condensed financial information.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the year ending December 31, 2017. For further information's, refer to the annual audited financial statements and notes thereto for the year ended December 31, 2016.

This interim condensed financial information is presented in Kuwaiti Dinar which is the functional and presentation currency of the Company.

Amendments to IFRSs which are effective for annual accounting period starting from January 1, 2017 did not have any material impact on the accounting policies, financial position or performance of the Company.

**2/2) Judgments and estimates**

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

In preparing this interim condensed financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements as of and for the financial year ended December 31, 2016.

**3- Accounts receivable and other debit balances**

	June 30, 2017	December 31, 2016 (audited)	June 30, 2016
Trade receivables	9,066,516	8,340,754	7,393,487
Provision for doubtful debts	(402,320)	(402,320)	(402,320)
	8,664,196	7,938,434	6,991,167
Cheques under collection	2,964,085	2,975,637	2,795,821
Refundable deposits	1,975	1,975	1,975
	<u>11,630,256</u>	<u>10,916,046</u>	<u>9,788,963</u>

**Al Eid Food Company**

K.S.C. (Public)

Kuwait

Notes to the interim condensed financial information for six months ended June 30, 2017

(Unaudited)

*"All amounts are in Kuwaiti Dinar unless stated otherwise"***4- Inventory**

	<b>June 30, 2017</b>	<b>December 31, 2016 (audited)</b>	<b>June 30, 2016</b>
Ending inventory	<u>5,387,211</u>	<u>4,973,498</u>	<u>4,714,209</u>
Provision for slow moving goods	<u>(114,460)</u>	<u>(114,460)</u>	<u>(114,460)</u>
	<u>5,272,751</u>	<u>4,859,038</u>	<u>4,599,749</u>
Goods in transit	<u>3,374,809</u>	<u>3,274,405</u>	<u>2,955,332</u>
	<u><b>8,647,560</b></u>	<u><b>8,133,443</b></u>	<u><b>7,555,081</b></u>

**5- Transactions with 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 management approves the terms and condition of related parties transactions. The transactions with related parties are subject to the approval of Shareholders' General Assembly.

The balances and transactions with related parties included in the Company's interim condensed financial information are as follows:

**Interim condensed statement of financial position**

Interim condensed statement of financial position doesn't include any balances with related parties.

	<b>The three months ended June 30</b>		<b>The Six months ended June 30</b>	
<b>Interim condensed statement of profit or loss and other comprehensive income</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Key management benefits</b>				
Salary and other benefits	<u>3,750</u>	<u>3,750</u>	<u>7,500</u>	<u>7,500</u>

(4)

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

Notes to the interim condensed financial information for the six months ended June 30, 2017  
(Unaudited)

*"All amounts are in Kuwaiti Dinar unless stated otherwise"*

**6- Property and equipment**

	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Decorations</b>	<b>Total</b>
<b>Cost</b>					
Balance at January 1, 2017	900,000	290,609	419,815	425,642	2,036,066
Balance at June 30, 2017	900,000	290,609	419,815	425,642	2,036,066
<b>Accumulated depreciation</b>					
Balance at January 1, 2017	585,000	290,608	368,217	425,640	1,669,465
Charged for the period	22,500	-	14,600	-	37,100
Balance at June 30, 2017	607,500	290,608	382,817	425,640	1,706,565
<b>Net book value</b>					
At June 30, 2017	292,500	1	36,998	2	329,501
At December 31, 2016	315,000	1	51,598	2	366,601

**Al Eid Food Company**  
**K.S.C. (Public)**  
**Kuwait**

**Notes to the interim condensed financial information for the six months ended June 30, 2017**  
**(Unaudited)**

*"All amounts are in Kuwaiti Dinar unless stated otherwise"*

**7- Accounts payable and other credit balances**

	<b>June 30, 2017</b>	<b>December 31, 2016 (audited)</b>	<b>June 30, 2016</b>
Purchase of vehicles - payables	-	11,250	22,500
Provision for staff leave	16,654	28,150	27,619
KFAS	42,580	35,564	28,687
Zakat	67,445	59,528	51,758
National Labour Support Tax	133,478	113,685	94,261
	<u>260,157</u>	<u>248,177</u>	<u>224,825</u>

**8- Share capital**

The authorized, issued and full paid-up capital is amounted to KD 10,045,588 distributed on 100,455,880 share with nominal value 100 Fils of each share and all shares are in cash.

**9- Cost of sales**

	<b>The three months ended June 30</b>		<b>The six months ended June 30</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Beginning inventory	-	-	4,973,498	4,764,759
Purchases	3,741,284	3,008,848	7,204,423	5,792,966
	<u>3,741,284</u>	<u>3,008,848</u>	<u>12,177,921</u>	<u>10,557,725</u>
Ending inventory	(290,732)	(141,226)	(5,387,211)	(4,714,209)
	<u>3,450,552</u>	<u>2,867,622</u>	<u>6,790,710</u>	<u>5,843,516</u>

**10- Earning per share/(Fils)**

Earnings per share are calculated through dividing the net profit for the period by the weighted average number of shares outstanding during the period as follows:

	<b>The three months ended June 30</b>		<b>The six months ended June 30</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net profit for the period	374,824	307,531	744,880	635,606
Weighted average number of shares outstanding during the period	<u>100,455,880</u>	<u>100,455,880</u>	<u>100,455,880</u>	<u>100,455,880</u>
Earning per share/(Fils)	<u>3.73</u>	<u>3.06</u>	<u>7.41</u>	<u>6.33</u>

**Al Eid Food Company**

K.S.C. (Public)

Kuwait

**Notes to the interim condensed financial information for the six months ended June 30, 2017  
(Unaudited)***"All amounts are in Kuwaiti Dinar unless stated otherwise"***11- General Assembly of shareholders**

The Ordinary General Assembly of Shareholders had been held on April 23, 2017 that approved the financial statements for the financial year ended December 31, 2016 and no dividends for the financial year ended December 31, 2016 and no remuneration for the Board of Directors' for the financial year ended December 31, 2016.

**12- Financial instruments****Categories of financial instruments**

The Company's financial assets and financial liabilities are categorized in the interim condensed statement of financial position as follows:

**Financial assets:**

	<b>June 30, 2017</b>	December 31, 2016 (audited)	June 30, 2016
Cash and cash equivalents	<u>361,540</u>	595,369	371,906
Accounts receivable and other debit balances	<u>11,630,256</u>	10,916,046	9,788,963
	<u><b>11,991,796</b></u>	<u>11,511,415</u>	<u>10,160,869</u>

**Financial liabilities:**

	<b>June 30, 2017</b>	December 31, 2016 (audited)	June 30, 2016
Murabaha payables	<u>6,106,120</u>	5,960,191	4,865,154
Accounts payable and other credit balances	<u>260,157</u>	248,177	224,825
	<u><b>6,366,277</b></u>	<u>6,208,368</u>	<u>5,089,979</u>