

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated financial information  
(Unaudited) and review report  
For the nine month period ended 30 September 2015**

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited) and review report  
For the nine month period ended 30 September 2015**

---

<b>Index</b>	<b>Pages</b>
Independent auditors' review report	1
Interim condensed consolidated statement of financial position (Unaudited)	2
Interim condensed consolidated statement of income (Unaudited)	3
Interim condensed consolidated statement of comprehensive income (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5
Interim condensed consolidated statement of cash flows (Unaudited)	6
Notes to the interim condensed consolidated financial information (Unaudited)	7-17



Al Johara Tower, 6<sup>th</sup> Floor  
Khaled Ben Al Waleed Street, Sharq  
P.O. Box 25578, Safat 13116  
Kuwait  
Tel: +965 2242 6999  
Fax: +965 2240 1666  
www.bdo.com.kw



P.O. Box : 636, Safat - 13007 Kuwait  
Tel : + 965 - 22412880 / 22410885  
Fax: + 965 - 22454248  
Ali Al-Salem Str., Thuwaini Bldg. 3<sup>rd</sup> Flr.  
E-Mail: [alateeqi@ateeqicpas.com](mailto:alateeqi@ateeqicpas.com)  
Website: [www.ateeqicpas.com](http://www.ateeqicpas.com)

## **Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Shuaiba Industrial Company K.P.S.C.**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Shuaiba Industrial Company K.P.S.C. ("the Parent Company") and its subsidiary (together referred to as "the Group") as at 30 September 2015, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for 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 the 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 accounts of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2012, as amended, and its Executive Regulation nor of the Articles of Association of the Parent Company, as amended, have occurred during the nine month period ended 30 September 2015 that might have had a material effect on the business of the Group or its consolidated financial position.

  
\_\_\_\_\_  
**Qais M. Al Nisf**  
Licence No. 38 "A"  
BDO Al Nisf & Partners

**Kuwait: 9 November 2015**

  
\_\_\_\_\_  
**Barrak Al-Ateeqi**  
License No. 69 "A"  
Al-Ateeqi Certified Accountants  
Member firm of B.K.R. International

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)  
As at 30 September 2015**

		(Audited)		
		30 September	31 December	30 September
	Notes	2015	2014	2014
		KD	KD	KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	8,403,372	8,541,058	8,590,460
Investment in an associate	4	2,563,189	2,590,021	2,498,155
Available for sale financial assets		36,843	36,843	36,843
		<u>11,003,404</u>	<u>11,167,922</u>	<u>11,125,458</u>
<b>Current assets</b>				
Inventories		4,017,618	3,694,810	3,662,650
Trade receivables		2,790,437	2,249,904	2,657,588
Other receivables		409,434	241,089	162,079
Financial assets at fair value through profit or loss	5	215,669	253,406	297,020
Cash and cash equivalents	6	2,428,059	2,854,587	1,626,754
		<u>9,861,217</u>	<u>9,293,796</u>	<u>8,406,091</u>
<b>Total assets</b>		<u>20,864,621</u>	<u>20,461,718</u>	<u>19,531,549</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	7	6,444,275	6,444,275	6,444,275
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		1,803,237	1,803,237	1,653,044
Voluntary reserve		1,712,229	1,712,229	1,562,036
Treasury shares	8	(164,740)	(253,265)	(253,265)
Treasury shares reserve		471,283	404,979	404,979
Foreign currency translation reserve		491,576	263,838	155,171
Retained earnings		4,735,513	4,659,964	4,601,962
<b>Total equity</b>		<u>17,787,817</u>	<u>17,329,701</u>	<u>16,862,646</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		538,424	482,090	465,343
Non-current portion of term loans	9	364,000	456,000	548,000
		<u>902,424</u>	<u>938,090</u>	<u>1,013,343</u>
<b>Current liabilities</b>				
Current portion of term loans	9	184,000	241,941	219,941
Trade and other payables		1,990,380	1,951,986	1,435,619
		<u>2,174,380</u>	<u>2,193,927</u>	<u>1,655,560</u>
<b>Total liabilities</b>		<u>3,076,804</u>	<u>3,132,017</u>	<u>2,668,903</u>
<b>Total equity and liabilities</b>		<u>20,864,621</u>	<u>20,461,718</u>	<u>19,531,549</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

  
Saleh Omran Abdullah Kannan  
Chairman

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated statement of income (Unaudited)**

For the nine month period ended 30 September 2015

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2015	2014	2015	2014
		KD	KD	KD	KD
Sales		3,609,108	3,449,982	11,666,587	10,006,193
Cost of sales		(2,793,570)	(2,718,754)	(8,963,943)	(7,861,988)
<b>Gross profit</b>		<u>815,538</u>	<u>731,228</u>	<u>2,702,644</u>	<u>2,144,205</u>
Unrealised (loss)/gain on financial assets at fair value through profit or loss		(6,824)	24,912	(37,737)	(50,720)
Share of results of an associate	4	5,205	33,586	15,676	75,861
Foreign exchange gain		6,682	36,163	22,488	32,265
Gain on sale of property, plant and equipment		-	-	109	-
Other income		9,751	18,652	34,311	66,465
General and administrative expenses	10	(215,990)	(192,754)	(616,914)	(571,238)
Selling and distribution expenses		(206,655)	(204,125)	(690,075)	(559,255)
Finance costs		(10,765)	(12,952)	(31,180)	(38,794)
<b>Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat</b>		<u>396,942</u>	<u>434,710</u>	<u>1,399,322</u>	<u>1,098,789</u>
KFAS		(3,572)	(3,913)	(12,594)	(9,889)
NLST		(10,221)	(10,868)	(36,381)	(27,470)
Zakat		(4,089)	(4,468)	(14,553)	(11,559)
<b>Profit for the period</b>		<u>379,060</u>	<u>415,461</u>	<u>1,335,794</u>	<u>1,049,871</u>
<b>Basic and diluted earnings per share</b>	11	<u>5.97 Fils</u>	<u>6.59 Fils</u>	<u>21.12 Fils</u>	<u>16.66 Fils</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated statement of comprehensive income (Unaudited)  
For the nine month period ended 30 September 2015**

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Profit for the period</b>	<u>379,060</u>	<u>415,461</u>	<u>1,335,794</u>	<u>1,049,871</u>
<b>Other comprehensive income items:</b>				
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of income:</i>				
Foreign currency translation adjustment	<u>(53,911)</u>	<u>134,363</u>	<u>227,738</u>	<u>134,503</u>
Other comprehensive (loss)/income for the period	<u>(53,911)</u>	<u>134,363</u>	<u>227,738</u>	<u>134,503</u>
<b>Total comprehensive income for the period</b>	<u>325,149</u>	<u>549,824</u>	<u>1,563,532</u>	<u>1,184,374</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait

Interim condensed consolidated statement of changes in equity (Unaudited)  
For the nine month period ended 30 September 2015

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total equity KD
At 1 January 2015	6,444,275	2,294,444	1,803,237	1,712,229	(253,265)	404,979	263,838	4,659,964	17,329,701
Profit for the period	-	-	-	-	-	-	-	1,335,794	1,335,794
Other comprehensive income for the period	-	-	-	-	-	-	227,738	-	227,738
Total comprehensive income for the period	-	-	-	-	-	-	227,738	1,335,794	1,563,532
Sale of treasury shares	-	-	-	-	88,525	66,304	-	-	154,829
Dividends paid	-	-	-	-	-	-	-	(1,260,245)	(1,260,245)
At 30 September 2015	6,444,275	2,294,444	1,803,237	1,712,229	(164,740)	471,283	491,576	4,735,513	17,787,817
At 1 January 2014	6,137,405	2,294,444	1,653,044	1,562,036	(253,265)	404,979	20,668	4,579,106	16,398,417
Profit for the period	-	-	-	-	-	-	-	1,049,871	1,049,871
Other comprehensive income for the period	-	-	-	-	-	-	134,503	-	134,503
Total comprehensive income for the period	-	-	-	-	-	-	134,503	1,049,871	1,184,374
Bonus shares issued	306,870	-	-	-	-	-	-	(306,870)	-
Dividends paid	-	-	-	-	-	-	-	(720,145)	(720,145)
At 30 September 2014	6,444,275	2,294,444	1,653,044	1,562,036	(253,265)	404,979	155,171	4,601,962	16,862,646

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated statement of cash flows (Unaudited)  
For the nine month period ended 30 September 2015**

	Notes	Nine months ended 30 September	
		2015 KD	2014 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		1,335,794	1,049,871
<i>Adjustments for:</i>			
Depreciation	3	340,432	337,189
Unrealised loss on financial assets at fair value through profit or loss		37,737	50,720
Share of results of an associate	4	(15,676)	(75,861)
Gain on sale of property, plant and equipment		(109)	-
Finance costs		31,180	38,794
Provision for employees' end of service benefits		67,135	74,437
		<u>1,796,493</u>	<u>1,475,150</u>
<i>Changes in working capital:</i>			
Inventories		(322,808)	(403,689)
Trade receivables		(540,533)	(38,628)
Other receivables		(168,345)	(31,554)
Trade and other payables		(59,766)	(622,301)
<b>Cash flows generated from operations</b>		<u>705,041</u>	<u>378,978</u>
Employees' end of service benefits paid		(11,238)	(17,333)
<b>Net cash flows generated from operating activities</b>		<u>693,803</u>	<u>361,645</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	3	(97,477)	(31,224)
Proceeds on sale of property, plant and equipment		109	-
Dividend received from investment in an associate		128,160	180,366
<b>Net cash flows generated from investing activities</b>		<u>30,792</u>	<u>149,142</u>
<b>FINANCING ACTIVITIES</b>			
Receipt of term loans		-	220,000
Repayment of term loans		(149,941)	(130,000)
Dividends paid		(1,162,085)	(720,145)
Sale of treasury shares		154,829	-
Finance costs paid		(31,180)	(38,794)
<b>Net cash flows used in financing activities</b>		<u>(1,188,377)</u>	<u>(668,939)</u>
Effect of foreign currency translation		37,254	18,156
<b>Net decrease in cash and cash equivalents</b>		<u>(426,528)</u>	<u>(139,996)</u>
Cash and cash equivalents at beginning of the period		2,854,587	1,766,750
<b>Cash and cash equivalents at end of the period</b>	7	<u>2,428,059</u>	<u>1,626,754</u>

The notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.



**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the nine month period ended 30 September 2015**

---

**1. GENERAL INFORMATION**

Shuaiba Industrial Company K.P.S.C. ("the Parent Company"), is a public shareholding company incorporated in 1978 under the Laws of the State of Kuwait and is listed on the Kuwait Stock Exchange.

The Parent Company is engaged in the manufacture and sale of paper products. At the Annual General Assembly held on 29 March 2009, the shareholders approved the Group to conduct its activities in accordance with Islamic Sharia Principles.

The Parent Company is domiciled in Kuwait and the address of its principal place of business is Plot No. 150, Street No. 30, Block No.3, Subhan, State of Kuwait.

The interim condensed consolidated financial information of the Group for the nine month period ended 30 September 2015 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 9 November 2015.

**2. BASIS OF PREPARATION**

These interim condensed consolidated financial information have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2014 annual consolidated financial statements. In the opinion of management all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine month period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation 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 consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new standards and amendments effective as of 1 January 2015. The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2015, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group.

The nature and the impact of each new standard or amendment are described below:

**IAS 19 Employee Benefits (Amendment)**

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

**2. BASIS OF PREPARATION (Continued)**

**Annual Improvements 2010-2012 Cycle**

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in this interim condensed consolidated financial information. it includes:

- **IFRS 2 Share-based Payment**

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

These amendments do not impact the Group's accounting policies.

- **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This amendment does not impact the Group's accounting policy.

- **IFRS 8 Operating Segments**

The amendments are applied retrospectively and clarify that:

An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in IFRS 8.12 and has not presented a reconciliation of the total of the reportable segments' assets to the Group's assets and the total of the reportable segments' liabilities to the Group's liabilities as such reconciliations are not reported to the Group's chief operating decision maker.

- **IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets**

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current interim period.

**2. BASIS OF PREPARATION (Continued)**

- **IAS 24 Related Party Disclosures**

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

**Annual Improvements 2011-2013 Cycle**

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial information. They include:

- **IFRS 3 Business Combinations**

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself

This amendment is not relevant for the Group and its subsidiaries.

- **IFRS 13 Fair Value Measurement**

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

- **IAS 40 Investment Property**

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

**Basis of consolidation**

This interim condensed consolidated financial information for the nine month period ended 30 September 2015 includes the Parent Company and its wholly owned subsidiary - Advance Technologies (International Agencies) Company W.L.L. together (the "Group"). The financial information of this subsidiary has been consolidated based on management accounts for the nine month period ended 30 September 2015. The Group's management do not expect any material differences in the figures if the reviewed financial information would have been available for the period ended 30 September 2015.

Notes to the interim condensed consolidated financial information (Unaudited)  
For the nine month period ended 30 September 2015

3. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land	Buildings	Machinery	Furniture and fixtures	Motor vehicles	Capital work in progress	Total
	KD	KD	KD	KD	KD	KD	KD
<b>Cost</b>							
At 1 January 2014	555,000	3,602,451	6,865,273	727,570	221,143	196,020	12,167,457
Additions	-	-	-	-	-	42,009	42,009
Transfers	-	-	201,327	30,702	6,000	(238,029)	-
Foreign currency exchange difference	-	57,420	65,352	4,069	1,278	-	128,119
At 31 December 2014	555,000	3,659,871	7,131,952	762,341	228,421	-	12,337,585
Additions	-	67,290	8,069	17,399	4,500	219	97,477
Disposals	-	-	-	-	(1,850)	-	(1,850)
Foreign currency exchange difference	-	51,940	59,732	3,728	1,146	-	116,546
At 30 September 2015	555,000	3,779,101	7,199,753	783,468	232,217	219	12,549,758
<b>Accumulated depreciation</b>							
At 1 January 2014	-	852,301	1,765,337	551,948	166,183	-	3,335,769
Charge for the year	-	141,384	237,251	56,193	18,504	-	453,332
Foreign currency exchange difference	-	2,868	3,268	906	384	-	7,426
At 31 December 2014	-	996,553	2,005,856	609,047	185,071	-	3,796,527
Charge for the period	-	106,213	178,570	42,356	13,293	-	340,432
Relating to disposals	-	-	-	-	(1,850)	-	(1,850)
Foreign currency exchange difference	-	4,282	4,882	1,541	572	-	11,277
At 30 September 2015	-	1,107,048	2,189,308	652,944	197,086	-	4,146,386
<b>Net book value</b>							
At 30 September 2015	555,000	2,672,053	5,010,445	130,524	35,131	219	8,403,372
At 31 December 2014	555,000	2,663,318	5,126,096	153,294	43,350	-	8,541,058
At 30 September 2014	555,000	2,674,854	5,158,000	148,185	47,453	6,968	8,590,460
<b>Annual depreciation rates</b>	-	3.33%	3.33%	20%	20%	-	-

The Group's certain property, plant and equipment have been assigned as security for the term loan facility granted to the Group (Note 9).  
The buildings are constructed on leasehold land from the Government of Kuwait and the Government of Dubai.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the nine month period ended 30 September 2015**

**4. INVESTMENT IN AN ASSOCIATE**

Name of associate	Country of incorporation	Ownership interest		Carrying value		
		30 September		30 September 2015	(Audited)	
		2015	2014		31 December 2014	30 September 2014
		%	%	KD	KD	KD
Yanbu Saudi Kuwaiti Paper Products Company ("YSKPPC")	Saudi Arabia	40	40	2,563,189	2,590,021	2,498,155

The summarised financial information in respect of the Group's associate is set out below:

	30 September 2015	(Audited) 31 December 2014	30 September 2014
	KD	KD	KD
<b>Associate's financial position:</b>			
Total assets	7,221,990	7,780,985	7,117,837
Total liabilities	814,018	1,305,932	872,449
Net assets	6,407,972	6,475,053	6,245,388
Group share of net assets of the associate	2,563,189	2,590,021	2,498,155
<b>Associate's revenue and results:</b>			
Total revenue	3,758,925	6,747,556	4,849,566
Net profit	39,190	319,436	189,652
Share of results of an associate	15,676	127,774	75,861

**5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	30 September 2015	(Audited) 31 December 2014	30 September 2014
	KD	KD	KD
Local quoted security	167,169	188,906	214,520
Investments in portfolio - fund	48,500	64,500	82,500
	215,669	253,406	297,020

Financial assets at fair value through profit or loss are managed by a portfolio manager, under a portfolio management agreement.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the nine month period ended 30 September 2015**

**6. CASH AND CASH EQUIVALENTS**

	<b>30 September 2015</b>	<b>(Audited) 31 December 2014</b>	<b>30 September 2014</b>
	KD	KD	KD
Cash at bank and on hand	1,928,059	2,354,112	1,375,719
Cash balance with portfolio manager	-	475	1,035
Short term deposits	500,000	500,000	250,000
	<u>2,428,059</u>	<u>2,854,587</u>	<u>1,626,754</u>

The Group's short term deposits with banks yield at an average rate of 0.62% (31 December 2014: 0.62% and 30 September 2014: 0.75 %) per annum and mature within 90 days from the date of deposit.

**7. SHARE CAPITAL**

The authorised, issued and paid up share capital is KD 6,444,275 (31 December 2014: KD 6,444,275 and 30 September 2014: KD 6,444,275) comprising of 64,442,750 shares of 100 fils each (31 December 2014: 64,442,750 and 30 September 2014: 64,442,750 shares of 100 fils each) and all shares are paid in cash.

**8. TREASURY SHARES**

	<b>30 September 2015</b>	<b>(Audited) 31 December 2014</b>	<b>30 September 2014</b>
Number of shares	930,462	1,430,462	1,430,352
Percentage of issued shares	1.44%	2.22%	2.22%
Market value (KD )	386,142	357,616	340,560
Cost (KD)	164,740	253,265	253,265

The reserves of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

**9. TERM LOANS**

	<b>30 September 2015</b>	<b>(Audited) 31 December 2014</b>	<b>30 September 2014</b>
	KD	KD	KD
Non-current portion	364,000	456,000	548,000
Current portion	184,000	241,941	219,941
	<u>548,000</u>	<u>697,941</u>	<u>767,941</u>

Term loans from local banks carry a finance cost at 3.5% (31 December 2014 and 30 September 2014: 3.5%) per annum.

Group's certain property, plant and equipment are pledged as collateral against the term loans obtained from a local bank (Note 3).

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the nine month period ended 30 September 2015

**10. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Nine months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>KD</b>	<b>KD</b>
Staff costs	469,118	417,346
Depreciation	18,467	20,365
Communication	20,779	18,687
Rental Expenses	15,779	14,631
Professional expenses and advertisement fee	15,693	29,137
Stationery and software expenses	17,536	20,968
Local travel and conveyance expenses	52,211	42,584
Share market and portfolio expense	7,331	7,520
	<u>616,914</u>	<u>571,238</u>

**11. BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share are computed by dividing the profit for the period by the weighted average number of shares outstanding during the period, excluding treasury shares.

	<b>Three months ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Basic and diluted earnings per share is calculated as follows:			
Profit for the period (KD)	<u>379,060</u>	<u>415,461</u>	<u>1,335,794</u>	<u>1,049,871</u>
Weighted average number of shares outstanding:				
Number of issued shares	64,442,750	64,442,750	64,442,750	64,442,750
Less: Weighted average number of treasury shares	<u>(930,462)</u>	<u>(1,430,352)</u>	<u>(1,196,030)</u>	<u>(1,430,352)</u>
Weighted average number of shares outstanding	<u>63,512,288</u>	<u>63,012,398</u>	<u>63,246,720</u>	<u>63,012,398</u>
Basic and diluted earnings per share (fils)	<u>5.97 Fils</u>	<u>6.59 Fils</u>	<u>21.12 Fils</u>	<u>16.66 Fils</u>

**12. RELATED PARTY TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management. Balances and transactions with related parties are as follows:

	<b>Nine months ended 30 September</b>	
	<b>2015</b>	<b>2014</b>
	<b>KD</b>	<b>KD</b>
<b>Consolidated statement of income</b>		
Key management compensation		
• Salaries and other short-term benefits	201,630	197,452
• Termination benefits	<u>15,028</u>	<u>15,028</u>

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the nine month period ended 30 September 2015

**13. SEGMENTAL INFORMATION**

The Group identifies its operating segments based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Parent Company's Chief Executive Officer is the Group's chief operating decision maker and has grouped the Group's products into the following operating segments.

- *Industrial Packaging Division:* Produces and supplies multi-wall paper sacks for industrial use.
- *Consumer Packaging Division:* Produces and supplies various types of superior value and high quality bags and wrapping sheets to major regional and international chains.
- *Flexible Packaging Division:* Produces and supplies multi-ply printed and laminated films, including aluminum foil lamination.
- *Trading Division:* Importing and trading in various types of paper related products such as photo copier paper, offset paper, NCR, coated paper and ink.

The following is an analysis of the Group's revenue and results by operating segments for the period:

	<b>Three months period ended 30 September</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Segment result</b>	
Industrial packaging division	2,330,483	2,332,512	447,761	460,420
Consumer packaging division	1,016,212	889,508	341,617	248,577
Flexible packaging division	221,524	168,293	22,242	14,035
Trading division	40,889	59,669	3,918	8,196
	<u>3,609,108</u>	<u>3,449,982</u>	<u>815,538</u>	<u>731,228</u>
Unrealised (loss)/income on financial assets at fair value through profit or loss			(6,824)	24,912
Share of results of an associate			5,205	33,586
Foreign exchange gain			6,682	36,163
Other income			9,751	18,652
General and administrative expenses			(215,990)	(192,754)
Selling and distribution expenses			(206,655)	(204,125)
Finance costs			(10,765)	(12,952)
KFAS			(3,572)	(3,913)
NLST			(10,221)	(10,868)
Zakat			(4,089)	(4,468)
<b>Profit for the period</b>			<u>379,060</u>	<u>415,461</u>



**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the nine month period ended 30 September 2015**

**13. SEGMENTAL INFORMATION (Continued)**

	Nine months period ended 30 September			
	2015	2014	2015	2014
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Segment result</b>	
Industrial packaging division	7,893,769	6,638,538	1,630,915	1,320,018
Consumer packaging division	2,926,044	2,581,378	1,000,414	730,871
Flexible packaging division	698,682	539,486	54,832	60,804
Trading division	148,092	246,791	16,483	32,512
	<u>11,666,587</u>	<u>10,006,193</u>	<u>2,702,644</u>	<u>2,144,205</u>
Unrealised loss on financial assets at fair value through profit or loss			(37,737)	(50,720)
Share of results of an associate			15,676	75,861
Foreign exchange gain			22,488	32,265
Profit on sale of property, plant and equipment			109	-
Other income			34,311	66,465
General and administrative expenses			(616,914)	(571,238)
Selling and distribution expenses			(690,075)	(559,255)
Finance costs			(31,180)	(38,794)
KFAS			(12,594)	(9,889)
NLST			(36,381)	(27,470)
Zakat			(14,553)	(11,559)
<b>Profit for the period</b>			<u>1,335,794</u>	<u>1,049,871</u>

The following is an analysis of the Group's revenue by geographical area for the period:

	Three months period ended 30 September		Nine months period ended 30 September	
	2015	2014	2015	2014
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Revenue</b>	
Kuwait	1,142,834	1,061,715	3,853,231	3,439,947
GCC	1,928,052	1,626,459	6,249,369	5,045,865
Asia	336,575	337,329	898,232	815,732
Africa	201,647	424,479	665,755	704,649
	<u>3,609,108</u>	<u>3,449,982</u>	<u>11,666,587</u>	<u>10,006,193</u>

For the purpose of monitoring segment performance the Group does not allocate its total assets and liabilities between segments.

**14. ANNUAL GENERAL ASSEMBLY MEETING**

The Annual General Assembly meetings of shareholders held on 13 April 2015, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2014 and approved a cash dividend of 20% equivalents to 20 fils per share (2013: 12% equivalent to 12 fils per share) and bonus share of nil (2013: 5% equivalent to 5 shares for each 100 shares) to the shareholders of record as of the date of the Annual General Assembly.

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the nine month period ended 30 September 2015**

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

<b>30 September 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	KD	KD	KD
<b>Financial assets at fair value through profit or loss</b>			
Local quoted security	167,169	-	167,169
Investment in portfolio – fund	-	48,500	48,500
<b>Total</b>	<b>167,169</b>	<b>48,500</b>	<b>215,669</b>
<b>31 December 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	KD	KD	KD
<b>Financial assets at fair value through profit or loss</b>			
Local quoted security	188,906	-	188,906
Investment in portfolio – fund	-	64,500	64,500
<b>Total</b>	<b>188,906</b>	<b>64,500</b>	<b>253,406</b>
<b>30 September 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	KD	KD	KD
<b>Financial assets at fair value through profit or loss</b>			
Local quoted securities	214,520	-	214,520
Investment in portfolio – fund	-	82,500	82,500
<b>Total</b>	<b>214,520</b>	<b>82,500</b>	<b>297,020</b>

**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the nine month period ended 30 September 2015

**16. CONTINGENT LIABILITIES AND COMMITMENTS**

	<b>30 September 2015</b>	<b>(Audited) 31 December 2014</b>	<b>30 September 2014</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
<b>Capital commitments</b>			
For the acquisition of property, plant and equipment	<u>285,516</u>	<u>229,728</u>	<u>-</u>
<b>Operating lease commitments</b>			
Not later than one year	53,214	50,456	50,879
Later than one year but not later than five years	<u>212,856</u>	<u>201,824</u>	<u>203,516</u>
	<u>266,070</u>	<u>252,280</u>	<u>254,395</u>
<b>Contingent liabilities</b>			
Letters of credit	568,703	1,348,742	349,734
Letters of guarantee	<u>102,402</u>	<u>60,753</u>	<u>37,197</u>
	<u>671,105</u>	<u>1,409,495</u>	<u>386,931</u>