

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

**Interim condensed consolidated financial information (Unaudited)  
and review report**  
For the three month period ended 31 March 2016

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Al Shaheed 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.bdointernational.com



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@ateeqipas.com](mailto:alateeqi@ateeqipas.com)  
Website: [www.ateeqipas.com](http://www.ateeqipas.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. State of Kuwait**

**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 31 March 2016, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three 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**

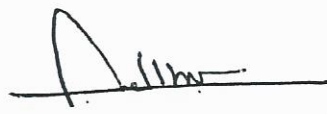
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the IAS 34.

**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. 1 of 2016, the Executive Regulation nor of the Memorandum and Articles of Association of the Parent Company, as amended, have occurred during the three month period ended 31 March 2016 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: 26 April 2016

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

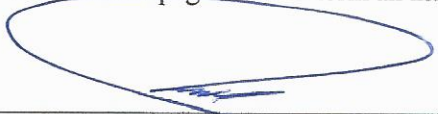
**Shuaiba Industrial Company K.P.S.C. and its subsidiary  
State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)**

As at 31 March 2016

		(Audited)		
		31 March 2016	31 December 2015	31 March 2015
	Notes	KD	KD	KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	8,927,615	8,640,567	8,543,736
Investment in an associate	4	2,472,592	2,567,131	2,536,798
Available for sale financial assets		-	-	36,843
		<u>11,400,207</u>	<u>11,207,698</u>	<u>11,117,377</u>
<b>Current assets</b>				
Inventories		4,446,539	4,694,207	4,224,414
Trade receivables		2,918,902	2,463,022	2,986,699
Other receivables		746,483	776,733	318,330
Due from a related party	10	-	-	121,752
Financial assets at fair value through profit or loss		214,720	176,072	229,195
Term deposit		-	100,000	-
Cash and cash equivalents	5	3,237,125	2,570,291	2,629,144
		<u>11,563,769</u>	<u>10,780,325</u>	<u>10,509,534</u>
<b>Total assets</b>		<u>22,963,976</u>	<u>21,988,023</u>	<u>21,626,911</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6	8,055,343	6,444,275	6,444,275
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		1,985,638	1,985,638	1,803,237
Voluntary reserve		1,894,630	1,894,630	1,712,229
Treasury shares	7	(164,740)	(164,740)	(253,265)
Treasury shares reserve		471,283	471,283	404,979
Foreign currency translation reserve		456,605	492,544	447,978
Retained earnings		2,493,080	4,744,837	5,104,885
<b>Total equity</b>		<u>17,486,283</u>	<u>18,162,911</u>	<u>17,958,762</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Term loans		272,000	272,000	456,000
Employee's end of service benefits		605,803	589,997	496,499
		<u>877,803</u>	<u>861,997</u>	<u>952,499</u>
<b>Current liabilities</b>				
Term loans		184,000	184,000	211,941
Trade and other payables		4,415,890	2,754,188	2,503,709
Due to a related party	10	-	24,927	-
		<u>4,599,890</u>	<u>2,963,115</u>	<u>2,715,650</u>
<b>Total liabilities</b>		<u>5,477,693</u>	<u>3,825,112</u>	<u>3,668,149</u>
<b>Total equity and liabilities</b>		<u>22,963,976</u>	<u>21,988,023</u>	<u>21,626,911</u>

The notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

  
**Saleh Omran Abdullah Kamran**  
Chairman



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

**Interim condensed consolidated statement of profit or loss (Unaudited)**

For the three month period ended 31 March 2016

	Notes	Three months ended	
		31 March	
		2016	2015
		KD	KD
Sales		4,034,171	4,051,231
Cost of sales		(2,950,657)	(3,126,940)
<b>Gross profit</b>		<u>1,083,514</u>	<u>924,291</u>
Other income		17,137	13,809
Foreign exchange (loss)/gain		(13,913)	10,556
Share of results of an associate	4	14,744	5,127
Unrealised gain/(loss) on financial assets at fair value through profit or loss		38,648	(24,211)
General and administrative expenses	8	(228,054)	(197,881)
Selling and distribution expenses		(245,629)	(255,599)
Finance costs		(7,334)	(10,179)
<b>Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat</b>		<u>659,113</u>	<u>465,913</u>
KFAS		(5,931)	(4,193)
NLST		(16,875)	(11,999)
Zakat		(6,750)	(4,800)
<b>Profit for the period</b>		<u><u>629,557</u></u>	<u><u>444,921</u></u>
<b>Basic and diluted earnings per share (fils)</b>	9	<u><u>7.93 fils</u></u>	<u><u>5.65 fils</u></u>

The notes on pages 7 to 16 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 three month period ended 31 March 2016

	<b>Three months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>KD</b>	<b>KD</b>
<b>Profit for the period</b>	<u>629,557</u>	<u>444,921</u>
<b>Other comprehensive income items:</b>		
<i>Items that may be reclassified subsequently to the consolidated statement of profit or loss:</i>		
Foreign currency translation adjustment	<u>(35,939)</u>	<u>184,140</u>
<b>Other comprehensive (loss)/income for the period</b>	<u>(35,939)</u>	<u>184,140</u>
<b>Total comprehensive income for the period</b>	<u><u>593,618</u></u>	<u><u>629,061</u></u>

The notes on pages 7 to 16 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 three month period ended 31 March 2016

	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury shares	Treasury shares reserve	Foreign currency translation reserve	Retained earnings	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD
<b>At 1 January 2016</b>	6,444,275	2,294,444	1,985,638	1,894,630	(164,740)	471,283	492,544	4,744,837	18,162,911
Profit for the period	-	-	-	-	-	-	-	629,557	629,557
Other comprehensive income for the period	-	-	-	-	-	-	(35,939)	-	(35,939)
Total comprehensive income for the period	-	-	-	-	-	-	(35,939)	629,557	593,618
Issue of bonus shares (Note 12)	1,611,068	-	-	-	-	-	-	(1,611,068)	-
Dividends (Note 12)	-	-	-	-	-	-	-	(1,270,246)	(1,270,246)
<b>At 31 March 2016</b>	<u>8,055,343</u>	<u>2,294,444</u>	<u>1,985,638</u>	<u>1,894,630</u>	<u>(164,740)</u>	<u>471,283</u>	<u>456,605</u>	<u>2,493,080</u>	<u>17,486,283</u>
<b>At 1 January 2015</b>	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	-	-	-	-	-	-	-	444,921	444,921
Other comprehensive income for the period	-	-	-	-	-	-	184,140	-	184,140
Total comprehensive income for the period	-	-	-	-	-	-	184,140	444,921	629,061
<b>At 31 March 2015</b>	<u>6,444,275</u>	<u>2,294,444</u>	<u>1,803,237</u>	<u>1,712,229</u>	<u>(253,265)</u>	<u>404,979</u>	<u>447,978</u>	<u>5,104,885</u>	<u>17,958,762</u>

The notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.

**Interim condensed consolidated statement of cash flows (Unaudited)**  
For the three month period ended 31 March 2016

	Notes	Three months ended 31 March	
		2016 KD	2015 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		629,557	444,921
<i>Adjustments for:</i>			
Depreciation	3	116,772	113,532
Gain on sale of property, plant and equipment		-	(109)
Share of results of an associate	4	(14,744)	(5,127)
Unrealised (gain)/loss on financial assets at fair value through profit or loss		(38,648)	24,211
Provision for employee end of service benefits		18,242	17,698
Finance costs		7,334	10,179
		<u>718,513</u>	<u>605,305</u>
<i>Changes in working capital:</i>			
Inventories		247,668	(529,604)
Trade receivables		(455,880)	(736,795)
Other receivables		30,250	(77,241)
Due from a related party		-	(121,752)
Due to a related party		(24,927)	-
Trade and other payables		391,456	551,723
<b>Cash flows generated from /(used in) operations</b>		<u>907,080</u>	<u>(308,364)</u>
Employee's end of service benefits paid		(2,436)	(3,642)
<b>Net cash flows generated from/(used in) operating activities</b>		<u>904,644</u>	<u>(312,006)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	3	(420,832)	(32,419)
Maturity of term deposit		100,000	-
Proceeds on sale of property, plant and equipment		-	110
Dividend received from an associate	4	97,080	128,160
<b>Net cash flows (used in)/generated from investing activities</b>		<u>(223,752)</u>	<u>95,851</u>
<b>FINANCING ACTIVITIES</b>			
Net movement in term loans		-	(30,000)
Finance costs paid		(7,334)	(10,179)
<b>Net cash flows used in financing activities</b>		<u>(7,334)</u>	<u>(40,179)</u>
Effect of foreign currency translation		(6,724)	30,891
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>666,834</u>	<u>(225,443)</u>
Cash and cash equivalents at beginning of the period		2,570,291	2,854,587
<b>Cash and cash equivalents at end of the period</b>	5	<u>3,237,125</u>	<u>2,629,144</u>

The Group has the following non-cash transactions during the period which are not presented in the interim condensed consolidated statement of cash flows.

**NON CASH TRANSACTIONS :**

Issue of bonus shares	12	(1,611,068)	-
Dividends	12	(1,270,246)	-

The notes on pages 7 to 16 form an integral part of this interim condensed consolidated financial information.



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

For the three month period ended 31 March 2016

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**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 Group comprises of the Parent Company and its subsidiary as described in Note 2.C (together referred to as the “Group”).

The Parent Company’s objectives are as follows:

1. Manufacture of paper cement bags for packing of cement and similar products.
2. Import and export material required for the Parent Company’s objectives.

The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Parent Company achieve its objectives inside Kuwait and abroad. The Parent Company may also purchase such entities or affiliate them.

At the Annual General Assembly held on 29 March 2010, the shareholders approved the Group to conduct its activities in accordance with Islamic Sharia Principles.

The address of the Parent Company’s registered office is P.O. Box, 10088, Shuaiba 65451, State of Kuwait.

The interim condensed consolidated financial information of the Group for the three month period ended 31 March 2016 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on -----2016.

**2. BASIS OF PREPARATION**

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the three month period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For further information, refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2015.

The interim condensed consolidated financial information has been 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 2015, except for the adoption of the following new standards and amendments effective as of 1 January 2016. The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2016, 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:

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

**a) New standards, interpretations and amendments effective from 1 January 2016**

A number of new or amended standards became applicable for the current reporting period. However, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards:

- Amendments to IAS 1 – Disclosure Initiative.
- Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization.
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants.
- Amendments to IAS 27 – Equity method in separate financial statements.
- Amendments to IFRS 10, IFRS 12, and IAS 28 – Investment Entities: Applying the Consolidated Exception.
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 11 – Accounting for acquisitions of interests in joint operations.
- IFRS 14 – Regulatory Deferral Accounts.
- Annual improvements to IFRS 2012-2014 cycle

**b) Standards and interpretations issued but not effective**

The following new and amended IASB Standards have been issued but are not yet effective, and have not been adopted by the Group:

*IFRS 9 - Financial Instruments*

The standard, effective for annual periods beginning on or after 1 January 2018, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 specifies how an entity should classify and measure its financial instruments and includes a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

The Group anticipates that the application of IFRS 9 in the future may not have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

*IFRS 15 - Revenue from contracts with customers*

The standard, effective for annual periods beginning on or after 1 January 2018, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the following existing standards and interpretations upon its effective date:

- IAS 18 – Revenue,
- IAS 11 – Construction Contracts,
- IFRIC 13 – Customer Loyalty Programs,
- IFRIC 15 – Agreements for the Construction of Real Estate,
- IFRIC 18 – Transfers of Assets from Customers, and,
- SIC 31 – Revenue-Barter Transactions Involving Advertising Services

The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.



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

For the three month period ended 31 March 2016

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

**c) Basis of consolidation**

This interim condensed consolidated financial information for the three month period ended 31 March 2016 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 three month period ended 31 March 2016. 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 31 March 2016.

**d) Judgements and estimates**

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

In preparing this interim condensed consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

Notes to the interim condensed consolidated financial information (Unaudited)  
For the three month period ended 31 March 2016

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 2015	555,000	3,659,871	7,082,084	762,341	228,421	-	12,287,717
Additions	-	67,518	331,903	31,521	4,500	350	435,792
Disposals	-	-	-	-	(1,850)	-	(1,850)
Foreign currency exchange difference	-	57,880	68,078	4,185	1,279	-	131,422
At 31 December 2015	555,000	3,785,269	7,482,065	798,047	232,350	350	12,853,081
Additions	-	-	401,075	3,601	-	16,156	420,832
Foreign currency exchange difference	-	(8,041)	(10,588)	(604)	(171)	-	(19,404)
At 31 March 2016	555,000	3,777,228	7,872,552	801,044	232,179	16,506	13,254,509
<b>Accumulated depreciation</b>							
At 1 January 2015	-	996,553	1,955,988	609,047	185,071	-	3,746,659
Charge for the year	-	140,754	238,822	56,984	17,456	-	454,016
Relating to disposals	-	-	-	-	(1,849)	-	(1,849)
Foreign currency exchange difference	-	5,181	5,925	1,891	691	-	13,688
At 31 December 2015	-	1,142,488	2,200,735	667,922	201,369	-	4,212,514
Charge for the period	-	34,718	63,373	15,033	3,648	-	116,772
Foreign currency exchange difference	-	(899)	(1,035)	(340)	(118)	-	(2,392)
At 31 March 2016	-	1,176,307	2,263,073	682,615	204,899	-	4,326,894
<b>Net book value</b>							
At 31 March 2016	555,000	2,600,921	5,609,479	118,429	27,280	16,506	8,927,615
At 31 December 2015	555,000	2,642,781	5,281,330	130,125	30,981	350	8,640,567
At 31 March 2015	555,000	2,665,743	5,110,080	141,073	43,992	27,848	8,543,736
<b>Annual depreciation rates</b>							
	-	3.33%	3.33%	20%	20%	-	

Certain property, plant and equipment have been assigned as security against term loans.

Buildings are constructed on leasehold lands from the government of Kuwait and the government of Dubai for a period of 5 year renewable for similar periods.



Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation charges are included in the consolidated statement of profit or loss under the following categories:

	Three months ended 31 March	
	2016 KD	2015 KD
Cost of sales	109,953	106,363
General and administrative expenses (Note 8)	5,851	6,201
Selling and distribution expenses	968	968
	<u>116,772</u>	<u>113,532</u>

4. INVESTMENT IN AN ASSOCIATE

Name of associate	Country of incorporation	Voting rights and equity interest (%)		Measurement method	Activity	Carrying value		
		31 March				31 March 2016	31 December 2015	31 March 2015
		2016 %	2015 %			KD	KD	KD
Yanbu Saudi Kuwaiti Paper Products Company L.t.d. ("YSKPPC")	Kingdom of Saudi Arabia	40	40	Equity method	Paper products	<u>2,472,592</u>	<u>2,567,131</u>	<u>2,536,798</u>

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

	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
<b>Associate's financial position:</b>			
Total assets	<u>7,950,308</u>	<u>7,332,829</u>	<u>7,163,317</u>
Total liabilities	<u>(1,768,828)</u>	<u>(915,001)</u>	<u>(821,323)</u>
Net assets	<u>6,181,480</u>	<u>6,417,828</u>	<u>6,341,994</u>
Group share of net assets of an associate	<u>2,472,592</u>	<u>2,567,131</u>	<u>2,536,798</u>
<b>Associate's revenue and results:</b>			
Revenue	<u>1,842,770</u>	<u>4,976,458</u>	<u>1,306,880</u>
Profits	<u>36,860</u>	<u>89,628</u>	<u>12,818</u>
Share of results of an associate	<u>14,744</u>	<u>35,851</u>	<u>5,127</u>
Dividend received	<u>97,080</u>	<u>128,160</u>	<u>128,160</u>

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

For the three month period ended 31 March 2016

**5. CASH AND CASH EQUIVALENTS**

	<b>31 March 2016</b>	<b>(Audited) 31 December 2015</b>	<b>31 March 2015</b>
	KD	KD	KD
Short term deposits	670,000	200,000	200,000
Bank balances	2,562,127	2,364,942	2,429,144
Cash on hand and with portfolio manager	4,998	5,349	-
	<u>3,237,125</u>	<u>2,570,291</u>	<u>2,629,144</u>

Short term deposits are placed with local banks and denominated in Kuwaiti Dinars with an average yield rate of 0.62% (31 December 2015: 0.62% and 31 March 2015: 0.56%) per annum and mature within three months from the date of placement.

**6. SHARE CAPITAL**

The authorized, issued and paid up share capital is KD 8,055,343 (31 December 2015: KD 6,444,275 and 31 March 2015: KD 6,444,275) comprising of 80,553,436 shares of 100 fils each (31 December 2015: 64,442,750 and 31 March 2015: 64,442,750 shares of 100 fils each) and all shares are paid in cash.

The Extraordinary General Meeting of the shareholders held on 30 March 2016 approved the increase in authorised share capital by 25% through 16,110,686 bonus shares declared amounting to KD 1,611,068 (Note 12). The Parent Company's Memorandum and Articles of Association has been amended accordingly to reflect the increase in share capital.

**7. TREASURY SHARES**

	<b>31 March 2016</b>	<b>(Audited) 31 December 2015</b>	<b>31 March 2015</b>
Number of shares	1,163,078	930,462	1,430,462
Percentage to issued shares (%)	1.44%	1.44%	2.22%
Market value (KD )	476,862	362,880	407,682
Cost (KD)	164,740	164,740	253,265

The Parent Company is committed to retain reserves, share premium and retained earnings equivalent to the cost of treasury shares throughout the period, in which they are held by the Parent Company, pursuant to instructions of the relevant regulatory authorities.

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

For the three month period ended 31 March 2016

**8. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Three months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	KD	KD
Staff costs	175,881	149,591
Depreciation	5,851	6,201
Communication expenses	7,087	6,385
Travel expenses	1,908	1,516
Rental	4,996	5,150
Stationery expenses	2,291	1,813
Professional fees	3,827	4,296
Employees food and refreshment	1,960	2,112
Miscellaneous expenses	24,253	20,817
	<u>228,054</u>	<u>197,881</u>

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

Earnings per share is 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 31 March</b>	
	<b>2016</b>	<b>2015</b>
Profit for the period (KD)	<u>629,557</u>	<u>444,921</u>
<i>Weighted average number of shares outstanding:</i>		
Number of issued shares	80,553,436	80,553,436
Less: weighted average number of treasury shares	<u>(1,163,078)</u>	<u>(1,788,078)</u>
Weighted average number of shares outstanding	<u>79,390,358</u>	<u>78,765,358</u>
<b>Basic and diluted earnings per share (fils)</b>	<u>7.93</u>	<u>5.65</u>

Earnings per share were 7.06 fils for the three month period ended 31 March 2015, before retrospective adjustment to the number of shares following the bonus issue during the period (Note 12).



Notes to the interim condensed consolidated financial information (Unaudited)  
For the three month period ended 31 March 2016

**10. RELATED PARTY BALANCES AND 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:

	31 March 2016 KD	(Audited) 31 December 2015 KD	31 March 2015 KD
<b>Interim condensed consolidated statement of financial position</b>			
a) Due from a related party:			
• Yanbu Saudi Kuwaiti Paper Product Company Ltd.	-	-	121,752
b) Due to a related party:			
• Yanbu Saudi Kuwaiti Paper Product Company Ltd.	-	24,927	-

Amount due from/to a related party is receivable/payable on demand and is non-profit bearing.

	Three months ended 31 March	
	2016 KD	2015 KD
<b>Interim condensed consolidated statement of profit or loss</b>		
c) Key management compensation		
• Salaries and other short-term benefits	110,677	103,721
• Termination benefits	5,373	5,009

**11. 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.



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

For the three month period ended 31 March 2016

**11. SEGMENTAL INFORMATION (Continued)**

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

	<b>Three months ended 31 March</b>			
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	KD	KD	KD	KD
	<b>Revenue</b>		<b>Segment results</b>	
Industrial Packaging Division	2,705,355	2,808,294	666,780	588,495
Consumer Packaging Division	1,028,838	943,870	364,302	313,572
Flexible Packaging Division	288,699	236,309	51,433	14,546
Trading Division	11,279	62,758	999	7,678
	<u>4,034,171</u>	<u>4,051,231</u>	1,083,514	924,291
Other income			17,137	13,809
Foreign exchange (loss)/gain			(13,913)	10,556
Share of results of an associate			14,744	5,127
Unrealised gain/(loss) on financial assets at fair value through profit or loss			38,648	(24,211)
General and administrative expenses			(228,054)	(197,881)
Selling and distribution expenses			(245,629)	(255,599)
Finance costs			(7,334)	(10,179)
KFAS			(5,931)	(4,193)
NLST			(16,875)	(11,999)
Zakat			(6,750)	(4,800)
<b>Profit for the period</b>			<u>629,557</u>	<u>444,921</u>

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

	<b>Three months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	KD	KD
Kuwait	1,464,563	1,348,658
GCC	1,889,978	2,063,165
Asia	473,718	322,049
Africa	205,912	317,359
	<u>4,034,171</u>	<u>4,051,231</u>

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

**12. ANNUAL GENERAL ASSEMBLY MEETING**

The Annual General Assembly meetings of shareholders held on 30 March 2016, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2015 and approved the payment of cash dividend of 20% equivalents to 20 fils per share on outstanding shares excluding treasury shares (31 December 2015: 20% equivalent to 20 fils per share) and bonus share of 25% equivalent to 25 shares for each 100 shares (31 December 2015: nil) to the shareholders of the Parent Company's record as of the date of the Annual General Assembly Meeting.

An Extraordinary General Meeting of the shareholders was held on 30 March 2016 to approve the increase in authorised share capital by 25% due to bonus shares declared amounting to 16,110,686 shares.

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2016

13. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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.

31 March 2016	Level 1	Level 2	Total
	KD	KD	KD
<b>Financial assets at fair value through profit or loss</b>			
Local quoted securities	214,720	-	214,720
<b>Total</b>	<u>214,720</u>	<u>-</u>	<u>214,720</u>

31 December 2015	Level 1	Level 2	Total
	KD	KD	KD
<b>Financial assets at fair value through profit or loss</b>			
Local quoted securities	176,072	-	176,072
<b>Total</b>	<u>176,072</u>	<u>-</u>	<u>176,072</u>

31 March 2015	Level 1	Level 2	Total
	KD	KD	KD
<b>Financial assets at fair value through profit or loss</b>			
Local quoted securities	169,695	-	169,695
Local funds	-	59,500	59,500
<b>Total</b>	<u>169,695</u>	<u>59,500</u>	<u>229,195</u>

13. CONTINGENT LIABILITIES AND COMMITMENTS

	31 March 2016	(Audited) 31 December 2015	31 March 2015
	KD	KD	KD
<b>Capital commitments</b>			
For the purchase of property, plant and equipment	<u>1,200,136</u>	<u>1,158,850</u>	<u>210,369</u>
<b>Operating lease commitments</b>			
Not later than one year	68,672	62,061	52,479
Later than one year but not later than five years	274,688	212,244	209,916
	<u>343,360</u>	<u>274,305</u>	<u>262,395</u>
<b>Contingent liabilities</b>			
Letters of credit	74,234	377,173	251,005
Letters of guarantee	25,331	105,514	141,425
	<u>99,565</u>	<u>482,687</u>	<u>392,430</u>