

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

**Condensed consolidated interim financial information
and independent auditor's review report
for the six month period ended 30 June 2017**

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

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Independent auditor's report on review of condensed consolidated interim financial information

The Board of Directors Shuaiba Industrial Company K.P.S.C State of Kuwait

Introduction

We have reviewed the accompanying 30 June 2017 condensed consolidated interim financial information of Shuaiba Industrial Company K.P.S.C. ("the Company") and its subsidiary (together "the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2017, the condensed consolidated statements of profit or loss and comprehensive income for the three and six month periods ended 30 June 2017, the condensed consolidated statements of changes in equity and cash flows for the six month period then ended, and notes to the condensed consolidated interim financial information. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim 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.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2016 and the condensed consolidated interim financial information for the six month period ended 30 June 2016 were audited and reviewed,



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2017 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the books of account of the Company. We further report that, nothing has come to our attention that causes us to believe that there were any violations of the provisions of the Companies Law No. 1 of 2016, as amended, and its Executive Regulations, or of the Company's Memorandum and Articles of Association during the six month period ended 30 June 2017 that might have had material effect on the business of the Group or on its consolidated financial position.

A handwritten signature in blue ink, appearing to read 'Safi A. Al-Mutawa', written over a faint blue line.

Safi A. Al-Mutawa
License No 138 "A"
of KPMG Safi Al-Mutawa & Partners
Member firm of KPMG International

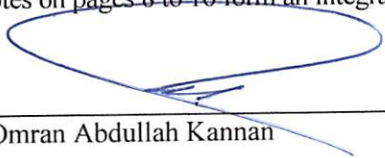
Kuwait: 6 August 2017

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

**Condensed consolidated statement of financial position
as at 30 June 2017**

		(Audited)	
		30 June 2017	31 December 2016
	Note	KD	KD
		30 June 2016	30 June 2016
		KD	KD
Assets			
Property, plant and equipment	3	10,180,644	9,125,876
Investment in an associate	4	2,486,737	2,480,924
Total non-current assets		12,667,381	11,606,800
Inventories		3,060,899	3,564,485
Trade and other receivables		3,886,403	3,884,822
Financial assets at fair value through profit or loss		97,655	219,016
Term deposit		200,000	650,000
Cash and cash equivalents	5	2,394,518	1,876,218
Total current assets		9,639,475	10,194,541
Total assets		22,306,856	21,801,341
Equity and liabilities			
Equity			
Share capital	6	10,069,180	8,055,343
Share premium		2,294,444	2,294,444
Statutory reserve		2,185,527	1,985,638
Voluntary reserve		1,827,831	1,894,630
Treasury shares	7	(164,740)	(164,740)
Treasury shares reserve		471,283	471,283
Foreign currency translation reserve		497,510	455,278
Retained earnings		1,112,389	3,138,948
Total equity		18,293,424	18,130,824
Liabilities			
Employees' end of service benefits		718,980	623,015
Non-current portion of term loans	8	1,492,468	684,667
Total non-current liabilities		2,211,448	1,307,682
Current portion of term loans	8	285,176	184,000
Trade and other payables		1,516,808	2,178,835
Total current liabilities		1,801,984	2,362,835
Total liabilities		4,013,432	3,670,517
Total equity and liabilities		22,306,856	21,801,341

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial information.


Saleh Omran Abdullah Kannan
Chairman

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

**Condensed consolidated statement of profit or loss
for the six month period ended 30 June 2017**

	Note	Three month period ended 30 June		Six month period ended 30 June	
		2017 KD	2016 KD	2017 KD	2016 KD
Sales		3,987,115	4,193,566	7,787,164	8,227,737
Cost of sales		(3,041,613)	(3,060,462)	(5,845,764)	(6,011,119)
Gross profit		<u>945,502</u>	<u>1,133,104</u>	<u>1,941,400</u>	<u>2,216,618</u>
Unrealised (loss) / gain on financial assets at fair value through profit or loss		(27,216)	4,296	(4,803)	42,944
Share of results of an associate	4	13,152	8,754	44,461	23,498
Foreign exchange (loss) / gain		(14,563)	124	(6,282)	(13,789)
Gain on disposal of property, plant and equipment		2,107	199	2,107	199
Other income		50,474	30,386	110,184	47,523
General and administrative expenses	9	(223,278)	(222,427)	(424,088)	(450,481)
Selling and distribution expenses		(219,437)	(266,802)	(452,548)	(512,431)
Finance costs		(23,542)	(11,407)	(45,902)	(18,741)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		<u>503,199</u>	<u>676,227</u>	<u>1,164,529</u>	<u>1,335,340</u>
KFAS		(4,529)	(6,087)	(10,481)	(12,018)
NLST		(13,095)	(17,337)	(29,755)	(34,212)
Zakat		(5,238)	(6,935)	(11,902)	(13,685)
Profit for the period		<u>480,337</u>	<u>645,868</u>	<u>1,112,391</u>	<u>1,275,425</u>
Basic and diluted earnings per share (fils)	10	<u>4.840</u>	<u>6.508</u>	<u>11.209</u>	<u>12.852</u>

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial information.

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

**Condensed consolidated statement of comprehensive income
for the six month period ended 30 June 2017**

	Three month period ended 30 June		Six month period ended 30 June	
	2017 KD	2016 KD	2017 KD	2016 KD
Profit for the period	<u>480,337</u>	<u>645,868</u>	<u>1,112,391</u>	<u>1,275,425</u>
Other comprehensive loss items: <i>Items that may be reclassified subsequently to the consolidated statement of profit or loss:</i>				
Foreign currency translation differences	<u>(36,083)</u>	<u>(1,327)</u>	<u>(68,711)</u>	<u>(37,266)</u>
Other comprehensive loss for the period	<u>(36,083)</u>	<u>(1,327)</u>	<u>(68,711)</u>	<u>(37,266)</u>
Total comprehensive income for the period	<u>444,254</u>	<u>644,541</u>	<u>1,043,680</u>	<u>1,238,159</u>

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial information.

Shuaiba Industrial Company K.P.S.C. and its subsidiary
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Condensed consolidated statement of changes in equity
for the six month period ended 30 June 2017

	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
Balance at 1 January 2016	6,444,275	2,294,444	1,985,638	1,894,630	(164,740)	471,283	492,544	4,744,837	18,162,911
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	1,275,425	1,275,425
Other comprehensive loss for the period	-	-	-	-	-	-	(37,266)	-	(37,266)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	(37,266)	1,275,425	1,238,159
Transactions with the shareholders of the Company	1,611,068	-	-	-	-	-	-	(1,611,068)	-
Issue of bonus shares (note 6)	-	-	-	-	-	-	-	(1,270,246)	(1,270,246)
Dividends (note 15)	-	-	-	-	-	-	-	3,138,948	18,130,824
Balance at 30 June 2016	8,055,343	2,294,444	1,985,638	1,894,630	(164,740)	471,283	455,278	3,334,954	18,837,551
Balance at 1 January 2017	8,055,343	2,294,444	2,185,527	2,094,519	(164,740)	471,283	566,221	3,334,954	18,837,551
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	1,112,391	1,112,391
Profit for the period	-	-	-	-	-	-	-	1,112,391	1,112,391
Other comprehensive loss for the period	-	-	-	-	-	-	(68,711)	-	(68,711)
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	(68,711)	1,112,391	1,043,680
Transactions with the shareholders of the Company	2,013,837	-	-	(266,688)	-	-	-	(1,747,149)	-
Issue of bonus shares (note 6)	-	-	-	-	-	-	-	(1,587,807)	(1,587,807)
Dividends (note 15)	-	-	-	-	-	-	-	1,112,389	18,293,424
Balance at 30 June 2017	10,069,180	2,294,444	2,185,527	1,827,831	(164,740)	471,283	497,510	1,112,389	18,293,424

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial information.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Condensed consolidated statement of cash flows
for the six month period ended 30 June 2017**

	Note	Six month period ended 30 June	
		2017 KD	2016 KD
Cash flows from operating activities			
Profit for the period		1,112,391	1,275,425
<i>Adjustments for:</i>			
Depreciation	3	244,156	234,212
Gain on disposal of property, plant and equipment	3	(2,107)	(199)
Share of results of an associate	4	(44,461)	(23,498)
Unrealised loss / (gain) on financial assets at fair value through profit or loss		4,803	(42,944)
Provision for employees' end of service benefits		42,915	37,701
Finance costs		45,902	18,741
Effect of foreign currency translation		(16,224)	(7,178)
		<u>1,387,375</u>	<u>1,492,260</u>
<i>Changes in</i>			
- Inventories		(278,494)	1,129,722
- Trade and other receivables		(1,285,133)	(645,067)
- Due to a related party		-	(24,927)
- Trade and other payables		(851,718)	(575,353)
Employees' end of service benefits paid		(3,858)	(4,581)
<i>Net cash (used in) / generated from operating activities</i>		<u>(1,031,828)</u>	<u>1,372,054</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(134,503)	(737,087)
Proceeds on sale of property, plant and equipment		2,239	200
Term deposit		1,450,000	(550,000)
Dividend received from an associate	4	97,588	97,080
<i>Net cash generated from / (used in) investing activities</i>		<u>1,415,324</u>	<u>(1,189,807)</u>
Cash flows from financing activities			
Net movement in term loans		(92,000)	412,667
Dividend paid		(1,587,807)	(1,270,246)
Finance costs paid		(45,902)	(18,741)
<i>Net cash used in financing activities</i>		<u>(1,725,709)</u>	<u>(876,320)</u>
Net change in cash and cash equivalents		<u>(1,342,213)</u>	<u>(694,073)</u>
Cash and cash equivalents at beginning of the period		<u>3,736,731</u>	<u>2,570,291</u>
Cash and cash equivalents at end of the period	5	<u>2,394,518</u>	<u>1,876,218</u>

The notes on pages 8 to 16 form an integral part of this condensed consolidated interim financial information.

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

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

1. Reporting entity

Shuaiba Industrial Company K.P.S.C. ("the 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 Company's commercial registration number is 26799 dated 19 March 2017.

The Group comprises of the Company and its wholly owned subsidiary - Advance Technologies International Agencies Company W.L.L. together ("the Group").

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

The Company's objectives are as follows:

- Manufacture of paper cement bags for packing of cement and similar products.
- Import and export material required for the Company's objectives.

The Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside Kuwait and abroad. The 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 interim condensed consolidated financial information of the Group for the six month period ended 30 June 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 6 August 2017.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard No. 34, *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the condensed consolidated interim financial information of the Group, since the last annual consolidated financial statements as at and for the year ended 31 December 2016. This condensed consolidated interim financial information does not include all of the information required for full annual audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of preparation

The condensed consolidated interim financial information have been prepared on the historical cost basis except for investments at fair value through profit or loss which is measured at fair value: The operating results for the six month period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the year ending 31 December 2017.

The condensed consolidated interim financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Company.

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

c) Significant accounting policies

The condensed consolidated interim financial information have been prepared using the same accounting policies and methods of computation as compared with the Group's most recent consolidated financial statements for the year ended 31 December 2016, except for the adoption of the amendments and annual improvements to IFRS, relevant to the Group which are effective for annual reporting period starting from 1 January 2017 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

d) Basis of consolidation

The financial information of the subsidiary has been consolidated based on management accounts for the six month period ended 30 June 2017. 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 June 2017.

e) Judgements and estimates

In preparing this condensed consolidated interim financial information, management makes 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.

The significant judgments made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

3. Property, plant and equipment

During the six month period ended 30 June 2017, the Group acquired assets with a cost of KD 134,503 (six month period ended 30 June 2016: KD 737,087).

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.

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

	Three month period ended 30 June		Six month period ended 30 June	
	2017 KD	2016 KD	2017 KD	2016 KD
Cost of sales	121,989	110,623	236,560	220,576
General and administrative expenses (Note 9)	3,590	5,849	7,112	11,700
Selling and distribution expenses	242	968	484	1,936
	<u>125,821</u>	<u>117,440</u>	<u>244,156</u>	<u>234,212</u>

4. Investment in an associate

Name of associate	Country of incorporation	Voting rights and equity interest (%) 30 June		Activity	Carrying value (Audited)		
		2017 %	2016 %		30 June 2017 KD	31 December 2016 KD	30 June 2016 KD
Yanbu Saudi Kuwaiti Paper Products Company L.t.d. ("YSKPPC")	Kingdom of Saudi Arabia	40	40	Paper products	<u>2,486,737</u>	<u>2,561,086</u>	<u>2,480,924</u>

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

	30 June 2017 KD	(Audited) 31 December 2016 KD	30 June 2016 KD
Associate's financial position:			
Total assets	<u>7,270,165</u>	<u>7,017,800</u>	<u>7,360,846</u>
Total liabilities	<u>(1,053,322)</u>	<u>(615,086)</u>	<u>(1,104,537)</u>
Net assets	<u>6,216,843</u>	<u>6,402,714</u>	<u>6,202,309</u>
Group share of net assets of an associate	<u>2,486,737</u>	<u>2,561,086</u>	<u>2,480,924</u>

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

	30 June 2017	(Audited) 31 December 2016	30 June 2016
	KD	KD	KD
Associate's revenue and results:			
Revenue	3,046,221	6,438,296	3,636,514
Profits	111,152	182,115	58,744
Share of results of an associate	44,461	72,846	23,498
Dividend received	97,588	97,080	97,080

5. Cash and cash equivalents

	30 June 2017	(Audited) 31 December 2016	30 June 2016
	KD	KD	KD
Bank balances	2,380,826	3,730,803	1,854,111
Cash on hand	13,692	5,928	6,701
Cash held with portfolio manager	-	-	15,406
	<u>2,394,518</u>	<u>3,736,731</u>	<u>1,876,218</u>

6. Share capital

The authorized, issued and paid up share capital is KD 10,069,180 (31 December 2016: KD 8,055,343 and 30 June 2016: KD 8,055,343) comprising of 100,691,795 shares of 100 fils each (31 December 2016: 80,553,436 and 30 June 2016: 80,553,436 shares of 100 fils each) and all shares are paid in cash.

The Ministry of Commerce and Industry as per their letter dated 17 April 2017, approved the increase in Company's share capital from KD 8,055,343 to KD 10,069,180, by KD 2,013,837 on account of the issuance of bonus shares amounting to 20,138,359 shares as recommended by the Board of Directors and approved by the shareholders at the annual general assembly meeting held on 4 April 2017 (note 15).

The Company has utilized the retained earnings and voluntary reserve by KD 1,747,149 and KD 266,688 respectively for the increase in share capital through bonus issue as per the provisions of Article 159 of the Companies Law No. 1 of 2016, as amended.

7. Treasury shares

	30 June 2017	(Audited) 31 December 2016	30 June 2016
Number of shares	1,453,942	1,163,078	1,163,078
Percentage to issued shares (%)	1.44%	1.44%	1.44%
Market value (KD)	436,183	343,108	331,477
Cost (KD)	164,740	164,740	164,740

The 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 Company, pursuant to instructions of the relevant regulatory authorities.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

8. Term loans

	30 June 2017	(Audited) 31 December 2016	30 June 2016
	KD	KD	KD
Non-current portion	1,492,468	1,685,644	684,667
Current portion	285,176	184,000	184,000
	<u>1,777,644</u>	<u>1,869,644</u>	<u>868,667</u>

Term loans represent credit refinance facilities ("the facilities") obtained from a local bank. The facilities are used to finance purchases of equipment and machinery to expand the Group's plant. The facilities carry a profit rate of 3.5% per annum (31 December 2016 and 30 June 2016: 3.5% per annum) and repayable as shown below.

Facility	Facility Amount KD	Payable Amount KD	Current Portion KD	Non-current Portion KD	Maturity Date
Term loan 1	700,000	70,000	70,000	-	October 2017
Term loan 2	220,000	110,000	44,000	66,000	December 2019
Term loan 3	2,800,000	1,597,644	171,176	1,426,468	November 2022
		<u>1,777,644</u>	<u>285,176</u>	<u>1,492,468</u>	

The facilities are secured by certain property, plant and equipment (note 3) in favour of the bank. It also requires, among other things, certain restrictions on the payment of dividends and a requirement to maintain a minimum leverage ratio (current assets to current liabilities) of 1.5:1.

9. General and administrative expenses

	Three month period ended 30 June		Six month period ended 30 June	
	2017	2016	2017	2016
	KD	KD	KD	KD
Staff costs	166,597	172,276	307,169	348,157
Depreciation	3,590	5,849	7,112	11,700
Communication expenses	7,555	7,244	14,973	14,745
Travel expenses	8,286	11,074	16,404	17,448
Rental	8,212	7,105	15,175	12,101
Stationery expenses and maintenance	6,831	3,288	12,370	10,581
Professional fees	10,667	3,567	22,803	7,653
Employees food and refreshment	1,678	1,952	3,296	4,044
Miscellaneous expenses	9,862	10,072	24,786	24,052
	<u>223,278</u>	<u>222,427</u>	<u>424,088</u>	<u>450,481</u>

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

10. 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.

	Three month period ended 30 June		Six month period ended 30 June	
	2017	2016	2017	2016
Profit for the period (KD)	480,337	645,868	1,112,391	1,275,425
<i>Weighted average number of shares outstanding:</i>				
Number of issued shares	100,691,795	100,691,795	100,691,795	100,691,795
Less: Weighted average number of treasury shares	(1,453,942)	(1,453,942)	(1,453,942)	(1,453,942)
Weighted average number of shares outstanding	99,237,853	99,237,853	99,237,853	99,237,853
Basic and diluted earnings per share (fils)	4.840	6.508	11.209	12.852

The basic and diluted earnings per share for the comparative period presented has been restated to reflect the effect resulting from issuance of bonus shares on 4 April 2017.

11. 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 Group's management. Transactions with related parties are as follows:

	Three month period ended 30 June		Six month period ended 30 June	
	2017 KD	2016 KD	2017 KD	2016 KD
Key management compensation				
• Salaries and other short-term benefits	48,685	50,217	167,531	160,894
• Termination benefits	5,631	5,430	11,264	10,803

12. Segment 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 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.

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**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

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

	Three month period ended 30 June			
	2017	2016	2017	2016
	KD	KD	KD	KD
	Sales		Segment results	
Industrial Packaging Division	2,503,496	2,811,039	476,483	707,724
Consumer Packaging Division	1,195,891	1,095,672	411,375	362,484
Flexible Packaging Division	285,240	274,049	58,450	62,624
Trading Division	2,488	12,806	(806)	272
	<u>3,987,115</u>	<u>4,193,566</u>	<u>945,502</u>	<u>1,133,104</u>
Other income			50,474	30,386
Gain on disposal of property, plant and equipment			2,107	199
Foreign exchange (loss) / gain			(14,563)	124
Share of results of an associate			13,152	8,754
Unrealised (loss) / gain on financial assets at fair value through profit or loss			(27,216)	4,296
General and administrative expenses			(223,278)	(222,427)
Selling and distribution expenses			(219,437)	(266,802)
Finance costs			(23,542)	(11,407)
KFAS			(4,529)	(6,087)
NLST			(13,095)	(17,337)
Zakat			(5,238)	(6,935)
Profit for the period			<u>480,337</u>	<u>645,868</u>

	Six month period ended 30 June			
	2017	2016	2017	2016
	KD	KD	KD	KD
	Sales		Segment results	
Industrial Packaging Division	4,845,139	5,516,394	1,011,759	1,374,504
Consumer Packaging Division	2,319,733	2,124,510	788,625	726,786
Flexible Packaging Division	612,145	562,748	146,231	114,057
Trading Division	10,147	24,085	(5,215)	1,271
	<u>7,787,164</u>	<u>8,227,737</u>	<u>1,941,400</u>	<u>2,216,618</u>
Other income			110,184	47,523
Gain on disposal of property, plant and equipment			2,107	199
Foreign exchange loss			(6,282)	(13,789)
Share of results of an associate			44,461	23,498
Unrealised (loss) / gain on financial assets at fair value through profit or loss			(4,803)	42,944
General and administrative expenses			(424,088)	(450,481)
Selling and distribution expenses			(452,548)	(512,431)
Finance costs			(45,902)	(18,741)
KFAS			(10,481)	(12,018)
NLST			(29,755)	(34,212)
Zakat			(11,902)	(13,685)
Profit for the period			<u>1,112,391</u>	<u>1,275,425</u>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

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

	Three month period ended		Six month period ended	
	30 June		30 June	
	2017	2016	2017	2016
	KD	KD	KD	KD
Kuwait	1,385,987	1,409,772	2,777,383	2,874,335
GCC	1,625,754	2,378,199	3,524,748	4,268,177
Asia	947,605	161,058	1,348,350	634,776
USA	-	-	9,388	-
Africa	27,769	244,537	127,295	450,449
	<u>3,987,115</u>	<u>4,193,566</u>	<u>7,787,164</u>	<u>8,227,737</u>

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

13. Financial instruments - fair value measurement and risk management

Fair value measurement

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.

	Level 1	Level 2	Total
	KD	KD	KD
30 June 2017			
Financial assets at fair value through profit or loss			
Local quoted securities	97,655	-	97,655
Total	<u>97,655</u>	<u>-</u>	<u>97,655</u>
31 December 2016			
Financial assets at fair value through profit or loss			
Local quoted securities	102,457	-	102,457
Total	<u>102,457</u>	<u>-</u>	<u>102,457</u>
30 June 2016			
Financial assets at fair value through profit or loss			
Local quoted securities	219,016	-	219,016
Total	<u>219,016</u>	<u>-</u>	<u>219,016</u>

**Notes to the condensed consolidated interim financial information
for the six month period ended 30 June 2017**

Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2016.

14. Contingent liabilities and commitments

	30 June 2017	(Audited) 31 December 2016	30 June 2016
	KD	KD	KD
Capital commitments			
For the purchase of property, plant and equipment	-	-	980,982
Operating lease commitments			
Not later than one year	74,517	69,667	68,672
Later than one year but not later than five years	298,068	212,244	274,688
	<u>372,585</u>	<u>281,911</u>	<u>343,360</u>
Contingent liabilities			
Letters of credit	389,693	106,111	225,383
Letters of guarantee	80,784	60,753	81,049
	<u>470,477</u>	<u>296,814</u>	<u>306,432</u>

15. The annual general assembly meeting of the shareholders held on 4 April 2017, approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2016 and approved the payment of cash dividend of 20% of the nominal value of shares equivalent to 20 fils per share on outstanding shares excluding treasury shares amounting to KD 1,587,807 (31 December 2015: 20% of the nominal value of shares equivalent to 20 fils per share amounting to KD 1,270,246) and bonus share of 25% of the share capital equivalent to 25 shares for each 100 shares (31 December 2015: 25% of the share capital equivalent to 25 shares for each 100 shares) to the shareholders of the Company's record as of the date of the Annual General Assembly Meeting.