

**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 2020

**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 2020

Index	Pages
Report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of financial position (Unaudited)	2
Interim condensed consolidated statement of profit or loss (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)	7-16

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To The Board of Directors,
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 30 September 2020, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine month period then ended. The Parent Company's management is responsible for the preparation and fair 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 condensed consolidated 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 IAS 34: Interim Financial Reporting.

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 account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies' Law No. 1 of 2016, and its Executive Regulations, as amended, and Law No. 7 of 2010 regarding the Establishment of the Capital Markets Authority and regarding Securities Activities and its Executive regulations as amended, nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the nine month period ended 30 September 2020, that might have had a material effect on business of the Group or its consolidated financial position.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 12 November 2020

**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 2020**

		30 September 2020	(Audited) 31 December 2019	30 September 2019
	Notes	KD	KD	KD
ASSETS				
Non-current assets				
Property, plant and equipment		8,358,209	8,619,825	9,260,860
Right of use assets		1,411,332	1,472,735	98,995
Investment in an associate		2,606,486	2,423,954	2,399,669
		<u>12,376,027</u>	<u>12,516,514</u>	<u>11,759,524</u>
Current assets				
Inventories	3	5,152,758	4,552,143	5,687,184
Trade and other receivables	4	3,950,398	3,862,360	4,260,816
Term deposits		420,000	350,000	100,000
Cash and cash equivalents	5	1,504,615	1,707,902	1,298,874
		<u>11,027,771</u>	<u>10,472,405</u>	<u>11,346,874</u>
Total assets		<u>23,403,798</u>	<u>22,988,919</u>	<u>23,106,398</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	6	10,069,180	10,069,180	10,069,180
Share premium		2,294,444	2,294,444	2,294,444
Statutory reserve		2,529,391	2,529,391	2,495,568
Voluntary reserve		1,508,216	1,715,624	1,715,624
Treasury shares	7	(164,740)	(164,740)	(164,740)
Treasury shares reserve		471,283	471,283	471,283
Foreign currency translation reserve		590,448	499,040	535,617
Retained earnings		1,022,783	288,780	422,247
Total equity		<u>18,321,005</u>	<u>17,703,002</u>	<u>17,839,223</u>
Liabilities				
Non-current liabilities				
Employee's end of service benefits		880,778	825,229	817,886
Term loans		180,027	480,027	780,027
Lease liabilities		909,058	922,434	11,865
		<u>1,969,863</u>	<u>2,227,690</u>	<u>1,609,778</u>
Current liabilities				
Term loans		900,000	600,000	622,000
Lease liabilities		32,516	38,943	72,456
Trade and other payables		2,117,119	2,166,448	2,379,837
Notes payables		45,120	166,362	583,104
Contract liabilities		18,175	86,474	-
		<u>3,112,930</u>	<u>3,058,227</u>	<u>3,657,397</u>
Total liabilities		<u>5,082,793</u>	<u>5,285,917</u>	<u>5,267,175</u>
Total equity and liabilities		<u>23,403,798</u>	<u>22,988,919</u>	<u>23,106,398</u>

The notes on pages 7 to 16 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 profit or loss (Unaudited)
For the nine month period ended 30 September 2020**

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020	2019	2020	2019
		KD	KD	KD	KD
Sales	8	3,004,377	3,571,457	9,257,200	11,429,039
Cost of sales		(2,318,648)	(3,135,481)	(7,461,713)	(9,965,807)
Gross profit		<u>685,729</u>	<u>435,976</u>	<u>1,795,487</u>	<u>1,463,232</u>
Share of results of an associate		85,728	(47,961)	157,641	(42,845)
Other income	8	13,473	22,949	81,134	116,738
(Write -back)/provision for expected credit losses		6,235	(5,588)	(40,542)	(45,923)
Realized gain on financial assets at ("FVTPL")		-	-	-	1,738
Foreign exchange (loss)/gain		(8,799)	8,687	13,270	10,805
General and administrative expenses		(180,724)	(196,164)	(571,630)	(612,159)
Selling and distribution expenses		(91,875)	(116,383)	(299,450)	(367,027)
Finance costs		(21,178)	(28,857)	(62,558)	(79,762)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		<u>488,589</u>	<u>72,659</u>	<u>1,073,352</u>	<u>444,797</u>
KFAS		(4,397)	(282)	(9,660)	(4,003)
NLST		(12,491)	(2,220)	(29,221)	(13,248)
Zakat		(4,996)	(888)	(11,688)	(5,299)
Profit for the period		<u>466,705</u>	<u>69,269</u>	<u>1,022,783</u>	<u>422,247</u>
Basic and diluted earnings per share (fils)	9	<u>4.7</u>	<u>0.70</u>	<u>10.31</u>	<u>4.25</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 nine month period ended 30 September 2020

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	KD	KD	KD	KD
Profit for the period	466,705	69,269	1,022,783	422,247
Other comprehensive (loss) / income items:				
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>				
Foreign exchange differences on translation of foreign operations	(47,996)	29,916	91,408	28,833
Other comprehensive (loss) /income for the period	(47,996)	29,916	91,408	28,833
Total comprehensive income for the period	418,709	99,185	1,114,191	451,080

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 nine month period ended 30 September 2020

	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
At 1 January 2020	10,069,180	2,294,444	2,529,391	1,715,624	(164,740)	471,283	499,040	288,780	17,703,002
Profit for the period	-	-	-	-	-	-	-	1,022,783	1,022,783
Other comprehensive income for the period	-	-	-	-	-	-	91,408	-	91,408
Total comprehensive income for the period	-	-	-	-	-	-	91,408	1,022,783	1,114,191
Transfer for dividends distribution (Note 12)	-	-	-	(207,408)	-	-	-	207,408	-
Dividends (Note 12)	-	-	-	-	-	-	-	(496,188)	(496,188)
At 30 September 2020	<u>10,069,180</u>	<u>2,294,444</u>	<u>2,529,391</u>	<u>1,508,216</u>	<u>(164,740)</u>	<u>471,283</u>	<u>590,448</u>	<u>1,022,783</u>	<u>18,321,005</u>
At 1 January 2019	10,069,180	2,294,444	2,495,568	1,827,831	(164,740)	471,283	506,784	880,171	18,380,521
Profit for the period	-	-	-	-	-	-	-	422,247	422,247
Other comprehensive income for the period	-	-	-	-	-	-	28,833	-	28,833
Total comprehensive Income for the period	-	-	-	-	-	-	28,833	422,247	451,080
Transfer for dividends distribution (Note 12)	-	-	-	(112,207)	-	-	-	112,207	-
Dividends (Note 12)	-	-	-	-	-	-	-	(992,378)	(992,378)
At 30 September 2019	<u>10,069,180</u>	<u>2,294,444</u>	<u>2,495,568</u>	<u>1,715,624</u>	<u>(164,740)</u>	<u>471,283</u>	<u>535,617</u>	<u>422,247</u>	<u>17,839,223</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 cash flows (Unaudited)
For the nine month period ended 30 September 2020

	Notes	Nine months ended 30 September	
		2020	2019
		KD	KD
OPERATING ACTIVITIES			
Profit for the period		1,022,783	422,247
<i>Adjustments for:</i>			
Depreciation		379,442	368,578
Amortization		67,993	53,396
Gain on sale of property, plant and equipment		(1,045)	(357)
Profit income		(6,567)	(7,617)
Share of results of an associate		(157,641)	42,845
Provision for expected credit losses	4	40,542	45,923
Realized gain on financial assets at ("FVTPL")		-	(1,738)
Foreign exchange gain		(13,270)	(10,805)
Provision for employee end of service benefits		57,177	61,810
Finance costs		62,558	79,762
		<u>1,451,972</u>	<u>1,054,044</u>
<i>Changes in working capital:</i>			
Inventories		(593,175)	205,866
Trade and other receivables		(115,801)	(443,310)
Trade and other payables		(73,921)	(724,316)
Contract liabilities		(68,299)	-
Cash flows generated from operations		<u>600,776</u>	<u>92,284</u>
Employee's end of service benefits paid		(2,226)	(22,607)
Net cash flows generated from operating activities		<u>598,550</u>	<u>69,677</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(76,421)	(57,895)
Proceeds from sale of property, plant and equipment		1,220	378
Proceeds from sale of financial assets at ("FVTPL")		-	73,322
Profit income received		6,567	7,617
(Placement)/Maturity of term deposits		(70,000)	520,000
Dividend received from an associate		-	81,043
Net cash flows (used)/generated from investing activities		<u>(138,634)</u>	<u>624,465</u>
FINANCING ACTIVITIES			
Dividends paid		(471,596)	(976,358)
Payment of principal portion of lease liabilities		(26,506)	(59,177)
Notes payables		(121,242)	583,104
Net movement in term loans		-	250,039
Finance costs paid		(62,558)	(79,762)
Net cash flows used in financing activities		<u>(681,902)</u>	<u>(282,154)</u>
Effect of foreign currency translation		18,699	7,321
Net (decrease)/increase in cash and cash equivalents		<u>(203,287)</u>	<u>419,309</u>
Cash and cash equivalents at beginning of the period		1,707,902	879,565
Cash and cash equivalents at end of the period	5	<u>1,504,615</u>	<u>1,298,874</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**

Notes to the interim condensed consolidated financial information (Unaudited)
For the nine month period ended 30 September 2020

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 Boursa Kuwait.

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 nine month period ended 30 September 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 12 November 2020.

2. BASIS OF PREPARATION

These interim condensed consolidated financial information have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2019 (“last annual consolidated financial statements”). They do not include all of the information required for a complete set of IFRSs financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included. Operating results for the nine month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020. For further information, refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2019.

Significant accounting policies

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 2019, certain adjustments are effective from 1 January 2020 but it does not have a material effect on the Group’s interim condensed consolidated financial information. These adjustments are as follows:

2. BASIS OF PREPARATION (CONTINUED)

Significant accounting policies (Continued)

- Amendments to IFRS 3 Definition of a Business.
- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform.
- Amendments to IAS 1 and IAS 8 Definition of Material.
- Conceptual Framework for Financial Reporting.

Use of judgements and estimates

In preparing this interim condensed consolidated financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRSs, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impact of COVID-19

In relation to the recent COVID-19 outbreak, Group's business continuity plans are working. The Group has assessed the principal risks and uncertainties, including the COVID-19 pandemic and the impact it is having on economic activity. The Group actively monitors the impact of COVID-19 and adopting cost control measures to mitigate against the potential impact of weaker demand for cement bags and other paper products. These measures have included;

2. BASIS OF PREPARATION (CONTINUED)

Impact of COVID-19 (Continued)

- The reduction of appropriate variable costs;
- Tight control of discretionary expenditure;
- A recruitment freeze;
- And temporary reduction in working hours and employees.

The Group has updated inputs and assumptions used for the determination of expected credit losses (“ECLs”) in response to uncertainties caused by COVID 19 and unprecedented volatility in economic factors. ECLs were estimated based on a range of forecast economic conditions. Considering that the situation is fast evolving, the Group has considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination and will continue to do so for the upcoming quarters.

The ECL models have been updated through adjustments in the methods of scenario construction and the underlying weightages assigned to these scenarios. The forward-looking factor used is determined from the observed historical credit index. The credit index is used to forecast expected point-in-time probabilities of default for the credit portfolio of the Group.

The Group has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors.

In addition to the assumptions outlined above, the Group continues to closely monitor the potential repayment risk impact of COVID-19 on affected industry sectors.

The Group has modelled a number of scenarios including where the restrictions imposed as a result of the pandemic and the downturn in economic activity continues. Further possible downside risk has been incorporated into forecasts through a widening of sensitivities.

In assessing the scenario, the Group continues to have liquidity headroom on its existing financing facilities.

Having considered the Group’s forecasts, sensitivity analysis and the Group’s significant financial headroom, management have a reasonable expectation that the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the interim condensed financial statements.

**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 2020**

3. INVENTORIES

	30 September 2020	(Audited) 31 December 2019	30 September 2019
	KD	KD	KD
Raw materials	4,412,404	3,794,833	4,966,064
Finished goods	187,048	289,471	234,147
Goods in transit	55,139	186,727	205,852
Packing materials	209,583	35,702	45,255
Spare parts	428,668	385,231	356,107
	<u>5,292,842</u>	<u>4,691,964</u>	<u>5,807,425</u>
Provision for old and obsolete inventories	(140,084)	(139,821)	(120,241)
	<u>5,152,758</u>	<u>4,552,143</u>	<u>5,687,184</u>

4. TRADE AND OTHER RECEIVABLES

	30 September 2020	(Audited) 31 December 2019	30 September 2019
	KD	KD	KD
Trade receivables	3,821,825	3,679,831	3,991,724
Less: provision for expected credit loss	(182,654)	(141,621)	(139,353)
	<u>3,639,171</u>	<u>3,538,210</u>	<u>3,852,371</u>
Prepayments	124,194	108,761	133,447
Advance to suppliers	98,868	133,734	98,868
Refundable deposits	65,123	63,861	64,476
Staff receivables	7,401	10,311	8,944
Others	15,641	7,483	21,667
Dividends receivables	-	-	81,043
	<u>3,950,398</u>	<u>3,862,360</u>	<u>4,260,816</u>

Movement in the provision for expected credit loss is as follows:

	30 September 2020	(Audited) 31 December 2019	30 September 2019
	KD	KD	KD
At the beginning of the period/year	141,621	93,327	93,327
Charge during the period/year	40,542	48,382	45,923
Foreign currency translation differences	491	(88)	103
At the end of the period/year	<u>182,654</u>	<u>141,621</u>	<u>139,353</u>

5. CASH AND CASH EQUIVALENTS

	30 September 2020	(Audited) 31 December 2019	30 September 2019
	KD	KD	KD
Bank balances	1,497,290	1,429,292	1,292,272
Cash on hand	7,325	5,017	6,602
Short term deposit	-	273,593	-
	<u>1,504,615</u>	<u>1,707,902</u>	<u>1,298,874</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 2020

6. SHARE CAPITAL

The authorized, issued and paid up share capital is KD 10,069,180 (31 December 2019: KD 10,069,180 and 30 September 2019: KD 10,069,180) comprising of 100,691,795 shares of 100 fils each (31 December 2019: 100,691,795 and 30 September 2019: 100,691,795 shares of 100 fils each) and all shares are paid in cash.

7. TREASURY SHARES

	30 September 2020	(Audited) 31 December 2019	30 September 2019
Number of shares	<u>1,454,028</u>	<u>1,454,028</u>	<u>1,454,028</u>
Percentage to issued shares (%)	<u>1.44%</u>	<u>1.44%</u>	<u>1.44%</u>
Market value (KD)	<u>189,023</u>	<u>225,374</u>	<u>232,644</u>
Cost (KD)	<u>164,740</u>	<u>164,740</u>	<u>164,740</u>

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.

**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 2020

8. REVENUE

	For the nine months ended 30 September 2020					For the nine months ended 30 September 2019				
	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other Income	Total	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other Income	Total
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Sale of multi-wall paper	4,858,300	-	-	-	4,858,300	6,639,966	-	-	-	6,639,966
Sale of superior value and high quality bags and wrapping sheets	-	3,332,508	-	-	3,332,508	-	3,781,048	-	-	3,781,048
Sale of multi-ply printed and laminated films	-	-	1,066,392	-	1,066,392	-	-	1,008,025	-	1,008,025
Waste sale	-	-	-	74,567	74,567	-	-	-	109,121	109,121
Total revenue from contracts with customers	4,858,300	3,332,508	1,066,392	74,567	9,331,767	6,639,966	3,781,048	1,008,025	109,121	11,538,160
Profit income	-	-	-	6,567	6,567	-	-	-	7,617	7,617
Total revenue	4,858,300	3,332,508	1,066,392	81,134	9,338,334	6,639,966	3,781,048	1,008,025	116,738	11,545,777
Geographical markets										
Kuwait	1,361,101	1,119,094	1,014,148	22,974	3,517,317	1,832,254	1,302,685	978,661	44,775	4,158,375
GCC	3,094,805	2,093,774	52,244	51,593	5,292,416	3,491,304	2,331,456	29,364	64,346	5,916,470
Asia	71,264	119,640	-	-	190,904	823,876	146,907	-	-	970,783
Africa	331,130	-	-	-	331,130	483,391	-	-	-	483,391
USA	-	-	-	-	-	9,141	-	-	-	9,141
Total revenue from contracts with customers	4,858,300	3,332,508	1,066,392	74,567	9,331,767	6,639,966	3,781,048	1,008,025	109,121	11,538,160
Timing of revenue recognition										
Goods transferred at a point in time	4,858,300	3,332,508	1,066,392	74,567	9,331,767	6,639,966	3,781,048	1,008,025	109,121	11,538,160
Total revenue from contracts with customers	4,858,300	3,332,508	1,066,392	74,567	9,331,767	6,639,966	3,781,048	1,008,025	109,121	11,538,160
Revenue										
External customers	4,858,300	3,332,508	1,066,392	74,567	9,331,767	6,639,966	3,781,048	1,008,025	109,121	11,538,160
Total revenue from contracts with customers	4,858,300	3,332,508	1,066,392	74,567	9,331,767	6,639,966	3,781,048	1,008,025	109,121	11,538,160

**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 2020

8. REVENUE (CONTINUED)

	For the three months ended 30 September 2020					For the three months ended 30 September 2019				
	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other Income	Total	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other Income	Total
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Sale of multi-wall paper	1,442,700	-	-	-	1,442,700	1,957,335	-	-	-	1,957,335
Sale of superior value and high quality bags and wrapping sheets	-	1,231,134	-	-	1,231,134	-	1,312,159	-	-	1,312,159
Sale of multi-ply printed and laminated films	-	-	330,543	-	330,543	-	-	301,963	-	301,963
Waste sale	-	-	-	11,840	11,840	-	-	-	22,949	22,949
Total revenue from contracts with customers	1,442,700	1,231,134	330,543	11,840	3,016,217	1,957,335	1,312,159	301,963	22,949	3,594,406
Profit income	-	-	-	1,633	1,633	-	-	-	-	-
Total revenue	1,442,700	1,231,134	330,543	13,473	3,017,850	1,957,335	1,312,159	301,963	22,949	3,594,406
Geographical markets										
Kuwait	503,997	365,743	318,323	7,437	1,195,500	642,728	390,469	289,938	13,611	1,336,746
GCC	750,740	830,829	12,220	4,403	1,598,192	966,265	871,140	12,025	9,338	1,858,768
Asia	45,839	34,562	-	-	80,401	192,706	50,550	-	-	243,256
Africa	142,124	-	-	-	142,124	155,636	-	-	-	155,636
USA	-	-	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	1,442,700	1,231,134	330,543	11,840	3,016,217	1,957,335	1,312,159	301,963	22,949	3,594,406
Timing of revenue recognition										
Goods transferred at a point in time	1,442,700	1,231,134	330,543	11,840	3,016,217	1,957,335	1,312,159	301,963	22,949	3,594,406
Total revenue from contracts with customers	1,442,700	1,231,134	330,543	11,840	3,016,217	1,957,335	1,312,159	301,963	22,949	3,594,406
Revenue										
External customers	1,442,700	1,231,134	330,543	11,840	3,016,217	1,957,335	1,312,159	301,963	22,949	3,594,406
Total revenue from contracts with customers	1,442,700	1,231,134	330,543	11,840	3,016,217	1,957,335	1,312,159	301,963	22,949	3,594,406

**Notes to the interim condensed consolidated financial information (Unaudited)
For the nine month period ended 30 September 2020**

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.

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
Profit for the period (KD)	466,705	69,269	1,022,783	422,247
<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	(1,454,028)	(1,454,028)	(1,454,028)	(1,454,028)
Weighted average number of shares outstanding	99,237,767	99,237,767	99,237,767	99,237,767
Basic and diluted earnings per share (fils)	4.7	0.70	10.31	4.25

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:

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	KD	KD	KD	KD
Interim condensed consolidated statement of profit or loss				
<i>Key management compensation</i>				
• Salaries and other short-term benefits	39,742	44,837	152,201	145,640
• Termination benefits	3,709	3,709	11,125	11,125

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.

**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 2020

11. SEGMENTAL INFORMATION (CONTINUED)

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

	Three months ended 30 September			
	2020	2019	2020	2019
	KD	KD	KD	KD
	Revenue		Segment results	
Industrial Packaging Division	1,442,700	1,957,335	233,224	81,992
Consumer Packaging Division	1,231,134	1,312,159	397,766	310,576
Flexible Packaging Division	330,543	301,963	54,739	43,408
	<u>3,004,377</u>	<u>3,571,457</u>	<u>685,729</u>	<u>435,976</u>
Share of results of an associate			85,728	(47,961)
Other income			13,473	22,949
Provision / (write – back) for expected credit losses			6,235	(5,588)
Foreign exchange (loss) / gain			(8,799)	8,687
General and administrative expenses			(180,724)	(196,164)
Selling and distribution expenses			(91,875)	(116,383)
Finance costs			(21,178)	(28,857)
KFAS			(4,397)	(282)
NLST			(12,491)	(2,220)
Zakat			(4,996)	(888)
Profit for the period			<u>466,705</u>	<u>69,269</u>

	Nine months ended 30 September			
	2020	2019	2020	2019
	KD	KD	KD	KD
	Revenue		Segment results	
Industrial Packaging Division	4,858,300	6,639,966	613,775	412,938
Consumer Packaging Division	3,332,508	3,781,048	977,719	905,519
Flexible Packaging Division	1,066,392	1,008,025	203,993	144,775
	<u>9,257,200</u>	<u>11,429,039</u>	<u>1,795,487</u>	<u>1,463,232</u>
Share of results of an associate			157,641	(42,845)
Other income			81,134	116,738
Provision for expected credit losses			(40,542)	(45,923)
Realized gain on sale of financial assets at ("FVTPL")			-	1,738
Foreign exchange gain			13,270	10,805
General and administrative expenses			(571,630)	(612,159)
Selling and distribution expenses			(299,450)	(367,027)
Finance costs			(62,558)	(79,762)
KFAS			(9,660)	(4,003)
NLST			(29,221)	(13,248)
Zakat			(11,688)	(5,299)
Profit for the period			<u>1,022,783</u>	<u>422,247</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 2020**

11. SEGMENTAL INFORMATION (CONTINUED)

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	KD	KD	KD	KD
Kuwait	1,188,063	1,323,135	3,494,343	4,113,600
GCC	1,593,789	1,849,430	5,240,823	5,852,124
Asia	80,401	243,256	190,904	970,783
Africa	142,124	155,636	331,130	483,391
USA	-	-	-	9,141
	<u>3,004,377</u>	<u>3,571,457</u>	<u>9,257,200</u>	<u>11,429,039</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 18 June 2020 approved the following:

- The consolidated financial statements of the Group for the year ended 31 December 2019.
- Transfer of KD 207,408 from voluntary reserve to retained earnings for distribution of cash dividends for the financial year ended 31 December 2019 (2018: KD 112,207).
- Distribution of cash dividend of 5% equivalents to 5 fils per share (31 December 2018: 10% equivalent to 10 fils per share) on outstanding shares excluding treasury shares, amounting KD 496,188 for the financial year ended 31 December 2019 to the shareholders of the Parent Company's record as at the accrual date. (2018: KD 992,378).

13. CONTINGENT LIABILITIES AND COMMITMENTS

	30 September	(Audited)	30 September
	2020	31 December	2019
	KD	KD	KD
Capital commitments			
For the purchase of property, plant and equipment	-	229,484	519,973
Contingent liabilities			
Letters of credit	221,601	511,591	51,625
Letters of guarantee	82,280	81,575	81,845
	<u>303,881</u>	<u>593,166</u>	<u>133,470</u>