

**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 2022

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

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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 31 March 2022, 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 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 three month period ended 31 March 2022, that might have had a material effect on business of the Group or its consolidated financial position.



Faisal Saqer Al Saqer
License No. 172 “A”
BDO Al Nisf & Partners

Kuwait: 15 May 2022

**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 2022

		(Audited)	
	31 March 2022	31 December 2021	31 March 2021
Notes	KD	KD	KD
ASSETS			
Non-current assets			
Property, plant and equipment	7,930,676	8,043,080	8,407,959
Right of use assets	1,267,974	1,288,602	1,357,631
Investment in an associate	2,616,811	2,586,838	2,644,778
	<u>11,815,461</u>	<u>11,918,520</u>	<u>12,410,368</u>
Current assets			
Inventories	3,795,426	3,548,298	3,126,049
Trade and other receivables	3 3,591,343	3,117,030	4,090,472
Term deposits	650,000	650,000	-
Bank balances and cash	4 4,208,377	4,075,253	3,625,538
	<u>12,245,146</u>	<u>11,390,581</u>	<u>10,842,059</u>
Total assets	<u>24,060,607</u>	<u>23,309,101</u>	<u>23,252,427</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	5 10,069,180	10,069,180	10,069,180
Share premium	2,294,444	2,294,444	2,294,444
Statutory reserve	2,784,455	2,784,455	2,640,537
Voluntary reserve	1,423,325	1,423,325	1,508,216
Treasury shares	6 (164,740)	(164,740)	(164,740)
Treasury shares reserve	471,283	471,283	471,283
Foreign currency translation reserve	487,365	454,075	473,558
Retained earnings	1,559,680	1,195,501	1,312,247
Total equity	<u>18,924,992</u>	<u>18,527,523</u>	<u>18,604,725</u>
Liabilities			
Non-current liabilities			
Employee's end of service benefits	978,445	957,503	859,963
Lease liabilities	833,719	831,078	849,732
	<u>1,812,164</u>	<u>1,788,581</u>	<u>1,709,695</u>
Current liabilities			
Term loans	-	-	480,027
Lease liabilities	16,384	46,281	42,142
Trade and other payables	3,270,840	2,910,489	2,280,037
Notes payables	-	-	108,155
Contract liabilities	36,227	36,227	27,646
	<u>3,323,451</u>	<u>2,992,997</u>	<u>2,938,007</u>
Total liabilities	<u>5,135,615</u>	<u>4,781,578</u>	<u>4,647,702</u>
Total equity and liabilities	<u>24,060,607</u>	<u>23,309,101</u>	<u>23,252,427</u>

The notes on pages 7 to 13 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 three month period ended 31 March 2022

	Notes	Three months ended	
		31 March	
		2022	2021
		KD	KD
Sales	7	3,256,598	3,589,302
Cost of sales		(2,635,033)	(2,853,318)
Gross profit		<u>621,565</u>	<u>735,984</u>
Other income		15,551	30,469
Share of results of an associate		26,660	50,935
Provision for expected credit losses		(3,402)	(17,404)
Foreign exchange loss		(285)	(7,044)
General and administrative expenses		(226,512)	(310,184)
Selling and distribution expenses		(42,081)	(46,290)
Finance costs		(9,676)	(13,372)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		<u>381,820</u>	<u>423,094</u>
KFAS		(3,436)	(3,808)
NLST		(10,146)	(10,376)
Zakat		(4,059)	(4,150)
Profit for the period		<u><u>364,179</u></u>	<u><u>404,760</u></u>
Basic and diluted earnings per share (fils)	8	<u>3.67</u>	<u>4.08</u>

The notes on pages 7 to 13 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 2022

	Three months ended	
	31 March	
	2022	2021
	KD	KD
Profit for the period	<u>364,179</u>	<u>404,760</u>
Other comprehensive (loss)/income items:		
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>		
Foreign currency translation differences	<u>33,290</u>	<u>(28,253)</u>
Total other comprehensive (loss)/income for the period	<u>33,290</u>	<u>(28,253)</u>
Total comprehensive income for the period	<u><u>397,469</u></u>	<u><u>376,507</u></u>

The notes on pages 7 to 13 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 2022

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total equity KD
At 1 January 2022	10,069,180	2,294,444	2,784,455	1,423,325	(164,740)	471,283	454,075	1,195,501	18,527,523
Profit for the period	-	-	-	-	-	-	-	364,179	364,179
Other comprehensive income for the period	-	-	-	-	-	-	33,290	-	33,290
Total comprehensive income for the period	-	-	-	-	-	-	33,290	364,179	397,469
At 31 March 2022	<u>10,069,180</u>	<u>2,294,444</u>	<u>2,784,455</u>	<u>1,423,325</u>	<u>(164,740)</u>	<u>471,283</u>	<u>487,365</u>	<u>1,559,680</u>	<u>18,924,992</u>
At 1 January 2021	10,069,180	2,294,444	2,640,537	1,508,216	(164,740)	471,283	501,811	907,487	18,228,218
Profit for the period	-	-	-	-	-	-	-	404,760	404,760
Other comprehensive loss for the period	-	-	-	-	-	-	(28,253)	-	(28,253)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	(28,253)	404,760	376,507
At 31 March 2021	<u>10,069,180</u>	<u>2,294,444</u>	<u>2,640,537</u>	<u>1,508,216</u>	<u>(164,740)</u>	<u>471,283</u>	<u>473,558</u>	<u>1,312,247</u>	<u>18,604,725</u>

The notes on pages 7 to 13 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 three month period ended 31 March 2022

	Note	Three months ended	
		31 March	
		2022	2021
		KD	KD
OPERATING ACTIVITIES			
Profit for the period		364,179	404,760
<i>Adjustments for:</i>			
Depreciation		146,254	131,288
Amortization		23,178	23,165
Profit income from term deposits		(578)	(2,094)
Share of results of an associate		(26,660)	(50,935)
Provision for expected credit losses		3,402	17,404
Foreign exchange loss		285	7,044
Provision for employee end of service benefits		25,173	22,133
Finance costs		9,676	13,372
		<u>544,909</u>	<u>566,137</u>
<i>Changes in working capital:</i>			
Inventories		(246,749)	891,478
Trade and other receivables		(477,819)	(349,065)
Trade and other payables		360,351	546,415
Contract liabilities		-	(32,252)
Cash flows generated from operations		<u>180,692</u>	<u>1,622,713</u>
Employee's end of service benefits paid		(4,540)	(47,595)
Net cash flows generated from operating activities		<u>176,152</u>	<u>1,575,118</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(16,122)	(14,861)
Profit income from term deposits received		578	2,094
Maturity of term deposits		-	570,000
Net cash flows (used in)/generated from investing activities		<u>(15,544)</u>	<u>557,233</u>
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(30,012)	(14,874)
Finance costs paid		(9,676)	(13,372)
Net cash flows used in financing activities		<u>(39,688)</u>	<u>(28,246)</u>
Effect of foreign currency translation		12,204	(8,003)
Net increase in bank balances and cash		<u>133,124</u>	<u>2,096,102</u>
Bank balances and cash at beginning of the period		4,075,253	1,529,436
Bank balances and cash at end of the period	4	<u>4,208,377</u>	<u>3,625,538</u>

The notes on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

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 three month period ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 15 May 2022.

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 2021 (‘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 three month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2021.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new standards effective as of 1 January 2022, which do not have an impact on the interim condensed consolidated financial information of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2021

3. TRADE AND OTHER RECEIVABLES

	31 March 2022	(Audited) 31 December 2021	31 March 2021
	KD	KD	KD
Trade receivables	3,505,489	3,103,727	4,065,079
Less: provision for expected credit loss	<u>(217,533)</u>	<u>(213,950)</u>	<u>(212,961)</u>
	3,287,956	2,889,777	3,852,118
Prepayments	182,650	118,714	154,225
Refundable deposits	72,143	71,597	62,159
Staff receivables	7,759	5,997	11,992
Others	<u>40,835</u>	<u>30,945</u>	<u>9,978</u>
	<u><u>3,591,343</u></u>	<u><u>3,117,030</u></u>	<u><u>4,090,472</u></u>

4. BANK BALANCES AND CASH

	31 March 2022	(Audited) 31 December 2021	31 March 2021
	KD	KD	KD
Bank balances	4,201,961	4,070,479	3,620,899
Cash on hand	<u>6,416</u>	<u>4,774</u>	<u>4,639</u>
	<u><u>4,208,377</u></u>	<u><u>4,075,253</u></u>	<u><u>3,625,538</u></u>

5. SHARE CAPITAL

The authorized, issued and paid up share capital is KD 10,069,180 (31 December 2021: KD 10,069,180 and 31 March 2021: KD 10,069,180) comprising of 100,691,795 shares of 100 fils each (31 December 2021: 100,691,795 and 31 March 2021: 100,691,795 shares of 100 fils each) and all shares are paid in cash.

6. TREASURY SHARES

	31 March 2022	(Audited) 31 December 2021	31 March 2021
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>356,237</u>	<u>327,156</u>	<u>261,725</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 three month period ended 31 March 2021

7. REVENUE

	For the three months ended 31 March 2022				
	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other income	Total
	KD	KD	KD	KD	KD
Sale of multi-wall paper	1,208,311	-	-	-	1,208,311
Sale of superior value and high quality bags and wrapping sheets	-	1,634,124	-	-	1,634,124
Sale of multi-ply printed and laminated films	-	-	414,163	-	414,163
Waste sale	-	-	-	14,973	14,973
Total revenue from contracts with customers	<u>1,208,311</u>	<u>1,634,124</u>	<u>414,163</u>	<u>14,973</u>	<u>3,271,571</u>
Geographical markets					
Kuwait	427,846	534,957	410,702	8,905	1,382,410
GCC	635,087	1,042,432	3,461	6,068	1,687,048
Asia	-	56,735	-	-	56,735
Africa	145,378	-	-	-	145,378
Total revenue from contracts with customers	<u>1,208,311</u>	<u>1,634,124</u>	<u>414,163</u>	<u>14,973</u>	<u>3,271,571</u>
Timing of revenue recognition					
Goods transferred at a point in time	1,208,311	1,634,124	414,163	14,973	3,271,571
Total revenue from contracts with customers	<u>1,208,311</u>	<u>1,634,124</u>	<u>414,163</u>	<u>14,973</u>	<u>3,271,571</u>
Revenue					
External customers	1,208,311	1,634,124	414,163	14,973	3,271,571
Total revenue from contracts with customers	<u>1,208,311</u>	<u>1,634,124</u>	<u>414,163</u>	<u>14,973</u>	<u>3,271,571</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 three month period ended 31 March 2021

7. REVENUE (CONTINUED)

	For the three months ended 31 March 2021				
	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other income	Total
	KD	KD	KD	KD	KD
Sale of multi-wall paper	2,010,432	-	-	-	2,010,432
Sale of superior value and high quality bags and wrapping sheets	-	1,268,802	-	-	1,268,802
Sale of multi-ply printed and laminated films	-	-	310,068	-	310,068
Waste sale	-	-	-	28,375	28,375
Total revenue from contracts with customers	<u>2,010,432</u>	<u>1,268,802</u>	<u>310,068</u>	<u>28,375</u>	<u>3,617,677</u>
Geographical markets					
Kuwait	505,850	377,993	301,949	13,358	1,199,150
GCC	1,328,451	850,313	8,119	15,017	2,201,900
Asia	23,516	40,496	-	-	64,012
Africa	152,615	-	-	-	152,615
Total revenue from contracts with customers	<u>2,010,432</u>	<u>1,268,802</u>	<u>310,068</u>	<u>28,375</u>	<u>3,617,677</u>
Timing of revenue recognition					
Goods transferred at a point in time	2,010,432	1,268,802	310,068	28,375	3,617,677
Total revenue from contracts with customers	<u>2,010,432</u>	<u>1,268,802</u>	<u>310,068</u>	<u>28,375</u>	<u>3,617,677</u>
Revenue					
External customers	2,010,432	1,268,802	310,068	28,375	3,617,677
Total revenue from contracts with customers	<u>2,010,432</u>	<u>1,268,802</u>	<u>310,068</u>	<u>28,375</u>	<u>3,617,677</u>

Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2021

8. 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 31 March	
	2022	2021
Profit for the period (KD)	<u>364,179</u>	<u>404,760</u>
<i>Weighted average number of shares outstanding:</i>		
Number of issued shares	100,691,795	100,691,795
Less: weighted average number of treasury shares	<u>(1,454,028)</u>	<u>(1,454,028)</u>
Weighted average number of shares outstanding	<u>99,237,767</u>	<u>99,237,767</u>
Basic and diluted earnings per share (fils)	<u>3.67</u>	<u>4.08</u>

9. 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 31 March	
	2022	2021
	KD	KD
Interim condensed consolidated statement of profit or loss		
<i>Key management compensation</i>		
• Salaries and other short-term benefits	50,009	50,001
• Termination benefits	4,141	4,141

10. 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.

**Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2021**

10. SEGMENTAL INFORMATION (CONTINUED)

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

	Three months ended 31 March			
	2022	2021	2022	2021
	KD	KD	KD	KD
	Revenue		Segment results	
Industrial Packaging Division	1,208,311	2,010,432	155,140	332,060
Consumer Packaging Division	1,634,124	1,268,802	391,770	339,319
Flexible Packaging Division	414,163	310,068	74,655	64,605
	<u>3,256,598</u>	<u>3,589,302</u>	621,565	735,984
Other income			15,551	30,469
Share of results of an associate			26,660	50,935
Provision for expected credit losses			(3,402)	(17,404)
Foreign exchange loss			(285)	(7,044)
General and administrative expenses			(226,512)	(310,184)
Selling and distribution expenses			(42,081)	(46,290)
Finance costs			(9,676)	(13,372)
KFAS			(3,436)	(3,808)
NLST			(10,146)	(10,376)
Zakat			(4,059)	(4,150)
Profit for the period			<u>364,179</u>	<u>404,760</u>

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

	Three months ended 31 March	
	2022	2021
	KD	KD
Kuwait	1,373,505	1,185,792
GCC	1,680,980	2,186,883
Asia	56,735	64,012
Africa	145,378	152,615
	<u>3,256,598</u>	<u>3,589,302</u>

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

11. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meetings of shareholders held on 27 April 2021 approved the following:

- The consolidated financial statements of the Group for the year ended 31 December 2021.

Notes to the interim condensed consolidated financial information (Unaudited)

For the three month period ended 31 March 2021

11. ANNUAL GENERAL ASSEMBLY MEETING (CONTINUED)

- Distribution of cash dividend of 12% equivalents to 12 fils per share (31 December 2020: 10% equivalent to 10 fils per share) on outstanding shares excluding treasury shares, amounting KD 1,190,853 for the financial year ended 31 December 2021 to the shareholders of the Parent Company's record as at the accrual date (2020: KD 992,378).
- KD 30,000 as a remuneration to be paid to the Board of Directors for the financial year ended 31 December 2021 (2020: KD 30,000).

12. CONTINGENT LIABILITIES AND COMMITMENTS

	31 March	(Audited)	
	2022	31 December	31 March
	<u>KD</u>	<u>2021</u>	<u>2021</u>
	KD	KD	KD
Contingent liabilities			
Letters of credit	96,266	59,966	40,808
Letters of guarantee	40,590	74,208	59,176
	<u>136,856</u>	<u>134,174</u>	<u>99,984</u>

13. SUBSEQUENT EVENTS

Subsequent to the financial period end, the Group has disposed of its investment in an associate, Yanbu Saudi Kuwaiti Paper Products Company L.t.d.