

**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 2020**

**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 2020, 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, nor of the Parent Company's Memorandum and Articles of Association, as amended, have occurred during the three month period ended 31 March 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 August 2020

**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 2020

		(Audited)	
	31 March 2020	31 December 2019	31 March 2019
Notes	KD	KD	KD
ASSETS			
Non-current assets			
Property, plant and equipment	8,572,811	8,619,825	9,474,621
Right of use assets	1,461,408	1,472,735	134,634
Investment in an associate	2,474,851	2,423,954	2,470,082
	<u>12,509,070</u>	<u>12,516,514</u>	<u>12,079,337</u>
Current assets			
Inventories	4,824,275	4,552,143	6,892,279
Trade and other receivables	3 4,510,544	3,862,360	4,087,608
Term deposits	450,000	350,000	-
Cash and cash equivalents	4 2,325,572	1,707,902	2,864,532
	<u>12,110,391</u>	<u>10,472,405</u>	<u>13,844,419</u>
Total assets	<u>24,619,461</u>	<u>22,988,919</u>	<u>25,923,756</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	2,529,391	2,529,391	2,495,568
Voluntary reserve	1,715,624	1,715,624	1,827,831
Treasury shares	6 (164,740)	(164,740)	(164,740)
Treasury shares reserve	471,283	471,283	471,283
Foreign currency translation reserve	649,032	499,040	536,472
Retained earnings	651,288	288,780	1,088,347
Total equity	<u>18,215,502</u>	<u>17,703,002</u>	<u>18,618,385</u>
Liabilities			
Non-current liabilities			
Employee's end of service benefits	845,444	825,229	789,539
Term loans	480,027	480,027	1,080,027
Lease liabilities	927,044	922,434	62,288
	<u>2,252,515</u>	<u>2,227,690</u>	<u>1,931,854</u>
Current liabilities			
Term loans	600,000	600,000	644,000
Lease liabilities	42,666	38,943	69,346
Trade and other payables	7 3,451,453	2,166,448	4,374,481
Notes payables	45,120	166,362	285,690
Contract liabilities	12,205	86,474	-
	<u>4,151,444</u>	<u>3,058,227</u>	<u>5,373,517</u>
Total liabilities	<u>6,403,959</u>	<u>5,285,917</u>	<u>7,305,371</u>
Total equity and liabilities	<u>24,619,461</u>	<u>22,988,919</u>	<u>25,923,756</u>

The notes on pages 7 to 15 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 2020**

	Notes	Three months ended 31 March	
		2020	2019
		KD	KD
Sales	8	3,794,705	3,995,820
Cost of sales		(3,125,245)	(3,467,627)
Gross profit		<u>669,460</u>	<u>528,193</u>
Other income	8	52,994	38,484
Share of results of an associate		17,021	27,285
Provision for expected credit losses	3	(8,279)	(27,009)
Foreign exchange gain		21,909	3,112
General and administrative expenses		(220,497)	(202,179)
Selling and distribution expenses		(133,250)	(126,239)
Finance costs		(19,162)	(22,274)
Profit before contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST") and Zakat		<u>380,196</u>	<u>219,373</u>
KFAS		(3,422)	(2,194)
NLST		(10,190)	(6,431)
Zakat		(4,076)	(2,572)
Profit for the period		<u>362,508</u>	<u>208,176</u>
Basic and diluted earnings per share (fils)	9	<u>3.65</u>	<u>2.10</u>

The notes on pages 7 to 15 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 2020**

	Three months ended 31 March	
	2020	2019
	KD	KD
Profit for the period	362,508	208,176
Other comprehensive income items:		
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss:</i>		
Foreign currency translation differences	149,992	29,688
Total other comprehensive income for the period	149,992	29,688
Total comprehensive income for the period	512,500	237,864

The notes on pages 7 to 15 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 2020

	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 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	-	-	-	-	-	-	-	362,508	362,508
Other comprehensive income for the period	-	-	-	-	-	-	149,992	-	149,992
Total comprehensive income for the period	-	-	-	-	-	-	149,992	362,508	512,500
At 31 March 2020	<u>10,069,180</u>	<u>2,294,444</u>	<u>2,529,391</u>	<u>1,715,624</u>	<u>(164,740)</u>	<u>471,283</u>	<u>649,032</u>	<u>651,288</u>	<u>18,215,502</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	-	-	-	-	-	-	-	208,176	208,176
Other comprehensive income for the period	-	-	-	-	-	-	29,688	-	29,688
Total comprehensive Income for the period	-	-	-	-	-	-	29,688	208,176	237,864
At 31 March 2019	<u>10,069,180</u>	<u>2,294,444</u>	<u>2,495,568</u>	<u>1,827,831</u>	<u>(164,740)</u>	<u>471,283</u>	<u>536,472</u>	<u>1,088,347</u>	<u>18,618,385</u>

The notes on pages 7 to 15 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 2020**

	Notes	Three months ended 31 March	
		2020 KD	2019 KD
OPERATING ACTIVITIES			
Profit for the period		362,508	208,176
<i>Adjustments for:</i>			
Depreciation		126,409	122,516
Amortization		22,619	17,787
Gain on sale of property, plant and equipment		(1,045)	(357)
Profit income		-	(6,922)
Share of results of an associate		(17,021)	(27,285)
Provision for expected credit losses	3	8,279	27,009
Realized gain on financial assets at ("FVTPL")		-	(1,738)
Foreign exchange gain		(21,909)	(3,112)
Provision for employee end of service benefits		20,709	18,366
Finance costs		19,162	22,274
		<u>519,711</u>	<u>376,714</u>
<i>Changes in working capital:</i>			
Inventories		(264,496)	(999,229)
Trade and other receivables		(635,472)	(177,382)
Trade and other payables		1,285,005	1,286,348
Contract liabilities		(74,269)	-
Cash flows generated from operations		<u>830,479</u>	<u>486,451</u>
Employee's end of service benefits paid		(1,577)	(7,502)
Net cash flows generated from operating activities		<u>828,902</u>	<u>478,949</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,003)	(25,471)
Proceeds from sale of property, plant and equipment		1,220	378
Proceeds from sale of financial assets at ("FVTPL")		-	73,322
Profit income received		-	6,922
(Placement) / maturity of term deposits		(100,000)	620,000
Net cash flows (used in) / generated from investing activities		<u>(106,783)</u>	<u>675,151</u>
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(5,802)	(11,864)
Notes payables		(121,242)	285,690
Net movement in term loans		-	572,039
Finance costs paid		(16,592)	(22,274)
Net cash flows (used in) / generated from financing activities		<u>(143,636)</u>	<u>823,591</u>
Effect of foreign currency translation		39,187	7,276
Net increase in cash and cash equivalents		<u>617,670</u>	<u>1,984,967</u>
Cash and cash equivalents at beginning of the period		1,707,902	879,565
Cash and cash equivalents at end of the period	4	<u>2,325,572</u>	<u>2,864,532</u>

The notes on pages 7 to 15 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 three month period ended 31 March 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 three month period ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 12 August 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 three month period ended 31 March 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.

In relation to the recent COVID-19 outbreak, Group's business continuity plans are working well. At this stage of the outbreak it is difficult to fully assess the magnitude of the impact on the Group, however 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 future impact of weaker demand for cement bags and other paper products. These measures have included;

2. BASIS OF PREPARATION (CONTINUED)

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

The financial impact of COVID-19 is not quantifiable due to the uncertainty over the length of time that the health crisis and related restrictions will continue to exist. 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. At 31 March, the Group has cash and cash equivalents of KD 2,325,572 and term deposits KD 450,000. Cash and cash equivalents balance is higher than the total debt balance including lease liabilities which ultimately shows that the group has low gearing and good liquidity.

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 consolidated financial statements.

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:

- 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.

**Shuaiba Industrial Company K.P.S.C. and its subsidiary
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**Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 2020**

2. BASIS OF PREPARATION (CONTINUED)

Use of judgements and estimates (Continued)

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).

3. TRADE AND OTHER RECEIVABLES

	31 March 2020	(Audited) 31 December 2019	31 March 2019
	KD	KD	KD
Trade receivables	4,294,285	3,679,831	3,747,576
Less: provision for expected credit loss	(150,818)	(141,621)	(120,436)
	<u>4,143,467</u>	<u>3,538,210</u>	<u>3,627,140</u>
Dividends receivables	-	-	162,538
Advance to suppliers	98,868	133,734	-
Prepayments	170,536	108,761	203,542
Refundable deposits	65,412	63,861	65,419
Staff receivables	11,313	10,311	17,175
Others	20,948	7,483	11,794
	<u>4,510,544</u>	<u>3,862,360</u>	<u>4,087,608</u>

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

	31 March 2020	(Audited) 31 December 2019	31 March 2019
	KD	KD	KD
At the beginning of the period/year	141,621	93,327	93,327
Charge during the period/year	8,279	48,382	27,009
Foreign currency translation differences	918	(88)	100
At the end of the period/year	<u>150,818</u>	<u>141,621</u>	<u>120,436</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 2020**

4. CASH AND CASH EQUIVALENTS

	31 March 2020	(Audited) 31 December 2019	31 March 2019
	KD	KD	KD
Bank balances	2,318,553	1,429,292	2,855,810
Cash on hand	7,019	5,017	8,722
Short term deposit	-	273,593	-
	<u>2,325,572</u>	<u>1,707,902</u>	<u>2,864,532</u>

5. SHARE CAPITAL

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

6. TREASURY SHARES

	31 March 2020	(Audited) 31 December 2019	31 March 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>186,116</u>	<u>225,374</u>	<u>239,915</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.

7. TRADE AND OTHER PAYABLES

	31 March 2020	(Audited) 31 December 2019	31 March 2019
	KD	KD	KD
Trade payables	2,706,837	1,493,436	3,713,289
Dividends payable	161,303	163,026	142,286
Accrued expenses	228,880	222,915	133,878
Staff payables	315,499	265,825	325,410
KFAS	6,466	3,044	11,901
NLST	23,861	13,671	34,084
Zakat	8,607	4,531	13,633
	<u>3,451,453</u>	<u>2,166,448</u>	<u>4,374,481</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 2020**

8. REVENUE

	For the three months ended 31 March 2020				
	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other income	Total
	KD	KD	KD	KD	KD
Sale of multi-wall paper	2,125,322	-	-	-	2,125,322
Sale of superior value and high quality bags and wrapping sheets	-	1,281,934	-	-	1,281,934
Sale of multi-ply printed and laminated films	-	-	387,449	-	387,449
Waste sale	-	-	-	52,994	52,994
Total revenue from contracts with customers	<u>2,125,322</u>	<u>1,281,934</u>	<u>387,449</u>	<u>52,994</u>	<u>3,847,699</u>
Geographical markets					
Kuwait	633,380	479,296	366,954	11,119	1,490,749
GCC	1,296,182	764,749	20,495	41,875	2,123,301
Asia	20,395	37,889	-	-	58,284
Africa	175,365	-	-	-	175,365
Total revenue from contracts with customers	<u>2,125,322</u>	<u>1,281,934</u>	<u>387,449</u>	<u>52,994</u>	<u>3,847,699</u>
Timing of revenue recognition					
Goods transferred at a point in time	2,125,322	1,281,934	387,449	52,994	3,847,699
Total revenue from contracts with customers	<u>2,125,322</u>	<u>1,281,934</u>	<u>387,449</u>	<u>52,994</u>	<u>3,847,699</u>
Revenue					
External customers	2,125,322	1,281,934	387,449	52,994	3,847,699
Total revenue from contracts with customers	<u>2,125,322</u>	<u>1,281,934</u>	<u>387,449</u>	<u>52,994</u>	<u>3,847,699</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 2020**

8. REVENUE (CONTINUED)

	For the three months ended 31 March 2019				
	Industrial Packaging Division	Consumer Packaging Division	Flexible Packaging Division	Other Income	Total
	KD	KD	KD	KD	KD
Sale of multi-wall paper	2,427,104	-	-	-	2,427,104
Sale of superior value and high quality bags and wrapping sheets	-	1,198,098	-	-	1,198,098
Sale of multi-ply printed and laminated films	-	-	370,618	-	370,618
Waste sale	-	-	-	29,824	29,824
Total revenue from contracts with customers	2,427,104	1,198,098	370,618	29,824	4,025,644
Profit income	-	-	-	8,660	8,660
Total revenue	2,427,104	1,198,098	370,618	38,484	4,034,304
Geographical markets					
Kuwait	620,456	473,934	360,034	15,517	1,469,941
GCC	1,328,783	683,495	10,584	14,307	2,037,169
Asia	224,506	40,669	-	-	265,175
Africa	253,359	-	-	-	253,359
Total revenue from contracts with customers	2,427,104	1,198,098	370,618	29,824	4,025,644
Profit income	-	-	-	8,660	8,660
Total revenue	2,427,104	1,198,098	370,618	38,484	4,034,304
Timing of revenue recognition					
Goods transferred at a point in time	2,427,104	1,198,098	370,618	29,824	4,025,644
Total revenue from contracts with customers	2,427,104	1,198,098	370,618	29,824	4,025,644
Profit income	-	-	-	8,660	8,660
Total revenue	2,427,104	1,198,098	370,618	38,484	4,034,304
Revenue					
External customers	2,427,104	1,198,098	370,618	29,824	4,025,644
Total revenue from contracts with customers	2,427,104	1,198,098	370,618	29,824	4,025,644
Profit income	-	-	-	8,660	8,660
Total Revenue	2,427,104	1,198,098	370,618	38,484	4,034,304

Notes to the interim condensed consolidated financial information (Unaudited)
For the three month period ended 31 March 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 31 March	
	2020	2019
Profit for the period (KD)	362,508	208,176
<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	(1,454,028)	(1,454,028)
Weighted average number of shares outstanding	99,237,767	99,237,767
Basic and diluted earnings per share (fils)	3.65	2.10

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 31 March	
	2020 KD	2019 KD
Interim condensed consolidated statement of profit or loss		
<i>Key management compensation</i>		
• Salaries and other short-term benefits	44,914	57,486
• Termination benefits	3,709	3,709

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 three month period ended 31 March 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 31 March			
	2020	2019	2020	2019
	KD	KD	KD	KD
	Revenue		Segment results	
Industrial Packaging Division	2,125,322	2,427,104	236,479	195,948
Consumer Packaging Division	1,281,934	1,198,098	355,745	283,290
Flexible Packaging Division	387,449	370,618	77,236	48,955
	<u>3,794,705</u>	<u>3,995,820</u>	<u>669,460</u>	<u>528,193</u>
Other income			52,994	38,484
Share of results of an associate			17,021	27,285
Provision for expected credit losses			(8,279)	(27,009)
Foreign exchange gain			21,909	3,112
General and administrative expenses			(220,497)	(202,179)
Selling and distribution expenses			(133,250)	(126,239)
Finance costs			(19,162)	(22,274)
KFAS			(3,422)	(2,194)
NLST			(10,190)	(6,431)
Zakat			(4,076)	(2,572)
Profit for the period			<u>362,508</u>	<u>208,176</u>

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

	Three months ended 31 March	
	2020	2019
	KD	KD
Kuwait	1,479,630	1,454,424
GCC	2,081,426	2,022,862
Asia	58,284	265,175
Africa	175,365	253,359
	<u>3,794,705</u>	<u>3,995,820</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 annual audited consolidated financial statements of the Group for the year ended 31 December 2019 and approved the payment of cash dividend of 5% equivalents to 5 fils per share on outstanding shares excluding treasury shares (31 December 2018: 10% equivalent to 10 fils per share).

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For the three month period ended 31 March 2020

13. CONTINGENT LIABILITIES AND COMMITMENTS

	31 March	(Audited)	31 March
	2020	31 December	2019
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Capital commitments			
For the purchase of property, plant and equipment	233,566	229,484	519,973
	<u>233,566</u>	<u>229,484</u>	<u>519,973</u>
Contingent liabilities			
Letters of credit	139,744	511,591	-
Letters of guarantee	82,787	81,575	81,836
	<u>222,531</u>	<u>593,166</u>	<u>81,836</u>