

**AL KOUT INDUSTRIAL PROJECTS COMPANY K.P.S.C.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT**

**FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2016
(UNAUDITED)**

AL KOUT INDUSTRIAL PROJECTS COMPANY K.P.S.C. AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
AND INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)
For the period from 1 January to 30 September 2016**

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Independent auditors' report on review of interim condensed consolidated financial information to the Board of Directors of Al Kout Industrial Projects Company K.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Kout Industrial Projects Company K.P.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 September 2016, and the related interim condensed consolidated statements of income and comprehensive income for the three month and nine month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended. The Parent Company's Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with 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.

Basis for qualified conclusion

Due to the unavailability of recent reviewed financial information of Al Dorra Petroleum Services Company K.S.C. (Closed), an associate accounted for by the equity method, we were unable to complete our review of its carrying amount of KD 8,831,655 presented in the interim condensed consolidated statement of financial position as at 30 September 2016, and the Group's share of the associate's net profit of KD 211,158 included in the Group's interim condensed consolidated statement of income for the period then ended. Had we been able to complete our review of the associate accounts, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information.

Qualified conclusion

Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the situation described above, 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'.



**AL-WAHA
AUDITING OFFICE
ALI OWAIID RUKHAEYES**

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, nothing has come to our attention indicating that the interim condensed consolidated financial information is not in agreement with the books of accounts of the parent company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies' Law No. 1 of 2016 and its executive bylaws, provision of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, nor of the parent company's articles and memorandum of association during the nine month period ended 30 September 2016 that might have had a material effect on the business of the group or on its financial position.

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21 November 2016
Kuwait

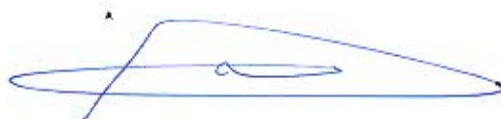
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Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Interim condensed consolidated statement of financial position

(All amounts in Kuwaiti Dinars unless indicated otherwise)

	Notes	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment		16,703,239	16,714,649	16,364,130
Investment in associate	4	8,831,655	8,620,497	7,941,797
		<u>25,534,894</u>	<u>25,335,146</u>	<u>24,305,927</u>
Current assets				
Inventories	5	1,875,310	1,630,841	1,496,399
Trade and other receivables	6	6,169,856	5,694,973	5,364,471
Time deposit		-	500,000	-
Cash and bank balances	7	741,727	866,446	216,171
		<u>8,786,893</u>	<u>8,692,260</u>	<u>7,077,041</u>
Total assets		<u>34,321,787</u>	<u>34,027,406</u>	<u>31,382,968</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	10,090,080	9,702,000	9,702,000
Statutory reserve		5,186,422	5,186,422	4,625,036
Voluntary reserve		5,148,415	5,148,415	4,587,029
Share of an associate's reserve		283,555	283,555	-
Foreign currency translation reserve		514,784	532,068	528,956
Retained earnings		8,780,501	8,805,161	7,885,707
Total equity		<u>30,003,757</u>	<u>29,657,621</u>	<u>27,328,728</u>
Liabilities				
Non-current liabilities				
Post-employment benefits		1,716,459	1,627,332	1,620,850
		<u>1,716,459</u>	<u>1,627,332</u>	<u>1,620,850</u>
Current liabilities				
Trade and other payables	9	2,601,571	2,742,453	2,319,265
Bank overdraft	7	-	-	114,125
		<u>2,601,571</u>	<u>2,742,453</u>	<u>2,433,390</u>
Total liabilities		<u>4,318,030</u>	<u>4,369,785</u>	<u>4,054,240</u>
Total equity and liabilities		<u>34,321,787</u>	<u>34,027,406</u>	<u>31,382,968</u>



Fahed Y. Al-Jouan
Chairman

The accompanying notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Interim condensed consolidated statement of income

(All amounts in Kuwaiti Dinars unless indicated otherwise)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Revenues		4,234,449	4,454,128	12,213,644	13,539,733
Cost of revenues		(2,400,948)	(2,479,862)	(6,845,509)	(7,321,013)
Gross profit		1,833,501	1,974,266	5,368,135	6,218,720
Share of results of associate		7,589	(271,690)	211,158	(1,435,525)
Other income		62,524	100,615	439,118	275,101
General and administrative expenses		(312,845)	(358,308)	(992,586)	(1,078,474)
Selling and distribution expenses		(192,577)	(148,617)	(517,689)	(502,409)
Finance costs		(2,218)	(6,513)	(10,108)	(18,378)
Profit before provisions for Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Board of Directors' remuneration		1,395,974	1,289,753	4,498,028	3,459,035
KFAS		(13,884)	(14,053)	(42,869)	(24,527)
NLST		(35,784)	(33,377)	(114,679)	(89,817)
Zakat		(14,238)	(13,351)	(43,760)	(35,928)
Board of Directors' remuneration		(17,500)	(17,500)	(52,500)	(52,500)
Profit for the period		1,314,568	1,211,472	4,244,220	3,256,263
Earnings per share (basic and diluted)	10	13.03 fils	12.01 fils	42.06 fils	32.27 fils

The accompanying notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Interim condensed consolidated statement of comprehensive income

(All amounts in Kuwaiti Dinars unless indicated otherwise)

	Three months ended 30 September		Nine months ended 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Profit for the period	1,314,568	1,211,472	4,244,220	3,256,263
Other comprehensive income				
<i>Items that may be reclassified subsequently to interim condensed consolidated statement of income</i>				
Foreign exchange translation adjustments	(153)	27,827	(17,284)	197,249
Other comprehensive (loss) / income for the period	(153)	27,827	(17,284)	197,249
Total comprehensive income for the period	1,314,415	1,239,299	4,226,936	3,453,512

The accompanying notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Interim condensed consolidated statement of changes in equity
(All amounts in Kuwaiti Dinars unless indicated otherwise)

	Share capital	Statutory reserve	Voluntary reserve	Share of an associate's reserves	Foreign currency translation reserve	Retained earnings	Total equity
Balance at 1 January 2016	9,702,000	5,186,422	5,148,415	283,555	532,068	8,805,161	29,657,621
Profit for the period	-	-	-	-	-	4,244,220	4,244,220
Other comprehensive loss for the period	-	-	-	-	(17,284)	-	(17,284)
Total comprehensive (loss) / income for the period	-	-	-	-	(17,284)	4,244,220	4,226,936
Issue of bonus shares (note 14)	388,080	-	-	-	-	(388,080)	-
Dividends paid (note 14)	-	-	-	-	-	(3,880,800)	(3,880,800)
Balance at 30 September 2016 (Unaudited)	10,090,080	5,186,422	5,148,415	283,555	514,784	8,780,501	30,003,757
Balance at 1 January 2015	8,820,000	4,625,036	4,587,029	-	331,707	9,039,444	27,403,216
Profit for the period	-	-	-	-	-	3,256,263	3,256,263
Other comprehensive income for the period	-	-	-	-	197,249	-	197,249
Total comprehensive income for the period	-	-	-	-	197,249	3,256,263	3,453,512
Issue of bonus shares (note 14)	882,000	-	-	-	-	(882,000)	-
Dividends paid (note 14)	-	-	-	-	-	(3,528,000)	(3,528,000)
Balance at 30 September 2015 (Unaudited)	9,702,000	4,625,036	4,587,029	-	528,956	7,885,707	27,328,728

The accompanying notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Interim condensed consolidated statement of cash flows

(All amounts in Kuwaiti Dinars unless indicated otherwise)

	Note	Nine months ended 30 September	
		2016 (Unaudited)	2015 (Unaudited)
Cash flows from operating activities			
Profit for the period before taxes and Board of Directors' remuneration		4,498,028	3,459,035
Adjustments for:			
Depreciation		2,342,522	2,133,517
Provision for staff indemnity		176,596	182,587
Finance costs		10,108	18,378
Share of results of associate		(211,158)	1,435,525
Gain on sale of property, plant and equipment		(8,613)	(2,662)
		<u>6,807,483</u>	<u>7,226,380</u>
Changes in working capital			
Inventories		(244,469)	558,543
Trade and other receivables		(474,883)	(1,465,064)
Trade and other payables		5,842	(286,636)
Cash generated from operations		<u>6,093,973</u>	<u>6,033,223</u>
KFAS paid		(44,830)	(58,676)
NLST paid		(228,404)	(75,996)
ZAKAT paid		(57,298)	-
Staff indemnity paid		(87,469)	(73,157)
Board of Directors' remuneration paid		(70,000)	(70,000)
Net cash generated from operating activities		<u>5,605,972</u>	<u>5,755,394</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,347,786)	(2,388,167)
Proceeds from sale of property, plant and equipment		8,613	3,752
Net cash used in investing activities		<u>(2,339,173)</u>	<u>(2,384,415)</u>
Cash flows from financing activities			
Receipt of short term borrowings		1,000,000	1,350,000
Repayment of short term borrowings		(1,000,000)	(1,350,000)
Finance costs paid		(10,108)	(18,378)
Dividends paid		(3,880,800)	(3,528,000)
Net cash used in financing activities		<u>(3,890,908)</u>	<u>(3,546,378)</u>
Effect of foreign currency translation		(610)	197,249
Net (decrease) / increase in cash and cash equivalents		<u>(624,719)</u>	<u>21,850</u>
Cash and cash equivalents at beginning of the period		1,366,446	80,196
Cash and cash equivalents at end of the period	7	<u>741,727</u>	<u>102,046</u>

The accompanying notes set out on pages 8 to 15 form an integral part of this interim condensed consolidated financial information.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

1. GENERAL INFORMATION

Al Kout Industrial Projects Company K.P.S.C. ("the Parent Company") is a public shareholding company incorporated under the laws of the State of Kuwait on 28 December 1993, and is listed on the Kuwait Stock Exchange.

The address of the Parent Company's registered office is P.O. Box, 10277, Shuaiba 65453, State of Kuwait.

The principal activities of the Group are as follows:

- Production of chlorine and salt, steel drums to fill soda solid and other petrochemical products.
- Transport of the Group's products inside and outside the State of Kuwait.
- Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or drawings and any other rights thereto, and renting thereof to other companies whether inside or outside Kuwait.
- Acquisition of movables and properties necessary for the Group to practice its activities pursuant to the limits prescribed by law.
- Investing surplus funds in portfolios managed by specialized financial companies.
- The Group may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Group achieve its objectives inside Kuwait and abroad. The Group may also purchase such entities or affiliate them.

The interim condensed consolidated financial information of the Group for the nine month period ended 30 September 2016 was authorized for issue in accordance with a resolution by the Board of Directors' of the Parent Company on 14 November 2016.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information has been prepared in accordance with International Financial Reporting Standard 34, "Interim Financial Reporting (IAS 34)". It does not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2015 annual consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRSs). In the opinion of management all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine month period ended 30 September 2016 are not necessarily indicative of the results that may be expected for the year ending 31 December 2016. The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD).

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 January 2016 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

2. BASIS OF PREPARATION (CONTINUED)

Impact of standards issued but not yet applied by the Group

IFRS 9 Financial instruments

IFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption. The Group is currently assessing whether it should adopt IFRS 9 before its mandatory date.

IFRS 15 Revenue from contracts with customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim periods within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption.

Basis of consolidation

This interim condensed consolidated financial information for the nine month period ended 30 September 2016 includes the Parent Company and its subsidiaries. The financial statements of the subsidiaries are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Any intra-Group balances and transactions, and any realized gains arising from intra-Group transactions, are eliminated in preparing this interim condensed consolidated financial information.

Details of subsidiaries are as follows:

Company's name	Ownership %			Country of incorporation	Principal activities
	30 September 2016	31 December 2015	30 September 2015		
Al Kout Logistics and Transport Company W.L.L.*	99.5 %	99.5 %	99.5%	Kuwait	Transportation services
Al Kout Petrochemical Products Company W.L.L.*	80 %	80 %	80%	Kuwait	Blending of chemical products
Al Kout Industrial Projects Holding Company L.L.C.	100 %	100 %	100%	Bahrain	Investment activities
Safewater Chemicals L.L.C.*	99 %	99 %	99%	United Arab Emirates	Manufacture of Chlor Alkali products

* The remaining ownership interest in the above subsidiaries is held within the Group.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

3. JUDGMENTS AND ESTIMATES

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

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

4. INVESTMENT IN ASSOCIATE

Name of associate	Principal activity	Place of incorporation	Ownership interest %		
			30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Al Dorra Petroleum Services Company K.S.C. (Closed) (Al Dorra)	Petroleum services to oil and gas sector	Kuwait	37.99%	37.99%	37.99%

The carrying amount of the associate is as follows:

	Carrying amount		
	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Al Dorra Petroleum Services Company K.S.C. (Closed) (Al Dorra)	8,831,655	8,620,497	7,941,797

5. INVENTORIES

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Raw materials	370,192	422,902	262,556
Finished goods	468,720	257,143	312,819
Spare parts	1,036,398	950,796	921,024
	<u>1,875,310</u>	<u>1,630,841</u>	<u>1,496,399</u>

6. TRADE AND OTHER RECEIVABLES

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Trade receivables	5,181,231	4,917,022	4,493,633
Prepayments	272,218	205,444	238,010
Advance to suppliers	525,211	489,684	500,703
Others	191,196	82,823	132,125
	<u>6,169,856</u>	<u>5,694,973</u>	<u>5,364,471</u>

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

7. CASH AND CASH EQUIVALENTS

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Cash on hand	9,156	12,263	6,292
Cash at banks	732,524	854,136	209,832
Cash in portfolio	47	47	47
Cash and bank balances	741,727	866,446	216,171
Less: bank overdraft	-	-	(114,125)
	741,727	866,446	102,046

8. SHARE CAPITAL

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Authorised, issued and fully paid: 100,900,800 shares of nominal value of 100 fils each paid in cash (31 December and 30 September 2015: 97,020,000)	10,090,080	9,702,000	9,702,000

The movement in ordinary shares in issue during the period / year was as follows:

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Number of shares in issue as 1 January	97,020,000	88,200,000	88,200,000
Bonus issue	3,880,800	8,820,000	8,820,000
Number of shares in issue as at 30 September/ 31 December	100,900,800	97,020,000	97,020,000

9. TRADE AND OTHER PAYABLES

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Trade payables	1,441,513	1,201,122	920,521
Advance from customers	31,739	136,222	182,821
Accrual expenses	778,944	926,510	782,425
Tax payable	349,375	478,599	433,498
	2,601,571	2,742,453	2,319,265

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

10. EARNINGS PER SHARE

Earnings per share are computed by dividing the profit for the period by the weighted average number of shares outstanding for the period:

	Three months ended 30 September		Nine months ended 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Profit for the period	1,314,568	1,211,472	4,244,220	3,256,263
Weighted average number of shares outstanding during the period (shares)	100,900,800	100,900,800	100,900,800	100,900,800
Earnings per share (basic and diluted) (fils)	13.03	12.01	42.06	32.27

Earnings per share were 12.49 and 33.56 fils for the three and nine month period ended 30 September 2015 respectively before retrospective adjustment to the number of shares following the bonus issue during 2015. There were no potential dilutive shares.

11. RELATED PARTY TRANSACTIONS

Related parties represent shareholders that have representation in the Parent Company's Board of Directors and their close relatives, directors and key management personnel of the Parent Company, and entities controlled, jointly controlled or significantly influenced by such parties. All related party transactions are carried out on terms approved by Parent Company's management and at an arm's length term.

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Key management compensation				
Salaries and other short term benefits	73,719	80,632	283,899	260,889
Executive committee fees	-	15,000	15,000	45,000
Termination benefits	8,630	14,850	29,212	32,263
	82,349	110,482	328,111	338,152

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 Parent Company's Board of Directors is the Group's chief operating decision maker and has grouped the Group's products and services into the following operating segments.

Although some segments may not meet the quantitative thresholds required by IFRS 8 for reporting segments, management has concluded that these segments should be reported, as they are closely monitored by the Group's chief operating decision maker.

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

12. SEGMENT INFORMATION (CONTINUED)

a. Segment revenue and results

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

	Three months ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Revenue		Results	
Chlor Alkali	3,797,251	4,317,765	1,829,173	1,961,715
Petrochemical products	379,500	95,116	21,274	4,920
Logistics and transport	57,698	41,247	(16,946)	7,631
Investments		-	7,589	(271,690)
	<u>4,234,449</u>	<u>4,454,128</u>	<u>1,841,090</u>	<u>1,702,576</u>
Other income			62,524	100,615
Finance costs			(2,218)	(6,513)
Unallocated expenses			(586,828)	(585,206)
Profit for the period			<u>1,314,568</u>	<u>1,211,472</u>

	Nine months ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Revenue		Results	
Chlor Alkali	11,289,202	12,615,810	5,339,345	6,135,520
Petrochemical products	763,880	813,525	46,898	62,776
Logistics and transport	160,562	110,398	(18,108)	20,424
Investments	-	-	211,158	(1,435,525)
	<u>12,213,644</u>	<u>13,539,733</u>	<u>5,579,293</u>	<u>4,783,195</u>
Other income			439,118	275,101
Finance costs			(10,107)	(18,378)
Unallocated expenses			(1,764,084)	(1,783,655)
Profit for the period			<u>4,244,220</u>	<u>3,256,263</u>

	Three months ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Purchases of property, plant and equipment		Depreciation	
Chlor Alkali	137,720	1,215,916	(699,948)	(655,285)
Petrochemical products	-	-	(468)	(468)
Logistics and transport	17,904	69,886	(79,940)	(69,543)

	Nine months ended 30 September (Unaudited)			
	2016	2015	2016	2015
	Purchases of property, plant and equipment		Depreciation	
Chlor Alkali	2,076,201	2,301,000	(2,108,579)	(1,925,356)
Petrochemical products	-	-	(1,404)	(1,404)
Logistics and transport	271,585	87,167	(232,539)	(206,757)

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

12. SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Segment assets			
Chlor Alkali	23,634,086	23,676,772	21,827,977
Petrochemical products	238,806	163,061	1,000
Logistics and transport	1,617,240	1,567,076	1,612,194
Investments	8,831,655	8,620,497	7,941,797
Total consolidated segment assets	34,321,787	34,027,406	31,382,968
Segment liabilities			
Chlor Alkali	3,868,797	3,973,351	3,733,734
Petrochemical products	206,056	143,262	67,620
Logistics and transport	243,177	253,172	252,886
Total consolidated segment liabilities	4,318,030	4,369,785	4,054,240

c. Geographical segments

The following is a geographical analysis based on location of the Group's revenue:

	Three months ended 30 September		Nine months ended 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Kuwait and Middle East	4,080,755	4,090,763	11,817,390	12,845,029
Europe and Africa	88,134	307,230	292,463	560,180
Asia	65,560	56,135	103,791	134,524
Total consolidated segment revenue	4,234,449	4,454,128	12,213,644	13,539,733

13. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Capital commitments			
For the acquisition of property, plant and equipment	592,509	998,202	714,453
Contingent liabilities			
Letters of guarantee	3,865,565	3,261,184	3,051,023
Letters of credit	1,189,026	176,994	545,238
	5,054,591	3,438,178	3,596,261

Operating lease commitments

The minimum operating lease commitments under non-cancellable operating leases are as follows:

	30 September 2016 (Unaudited)	31 December 2015 (Audited)	30 September 2015 (Unaudited)
Not later than one year	39,429	189,435	4,943
Later than one year but not later than five years	91,350	112,648	4,463

Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts in Kuwaiti Dinars unless indicated otherwise)

14. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meeting of shareholders held on 25 April 2016 approved the consolidated financial statements of the Group for the year ended 31 December 2015, and approved a cash dividend equivalent to 40% (31 December 2014: 40%) of the paid up share capital to the shareholders of record as of the date of the Annual General Assembly, and also approved an issue of bonus shares for the year ended 31 December 2015 in the ratio of one share for every four shares held (2014: one share for every ten shares) and to distribute directors' remuneration of KD 70,000.