

**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 2017
(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 2017

Index	Pages
Independent auditors' report on review of interim condensed consolidated financial information	1-2
Interim condensed consolidated statement of financial position	3
Interim condensed consolidated statement of income	4
Interim condensed consolidated statement of comprehensive income	5
Interim condensed consolidated statement of changes in equity	6
Interim condensed consolidated statement of cash flows	7
Notes to the interim condensed consolidated financial information	8-16



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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 2017, 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.

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'.



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. (Continued)

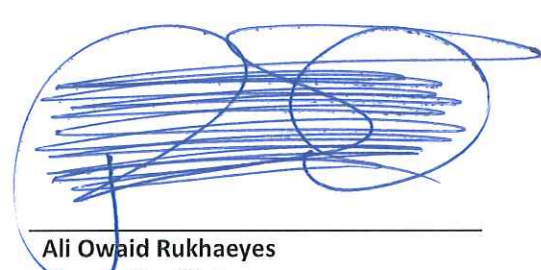
Report on Other Legal and Regulatory Requirements

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, 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 2017 that might have had a material effect on the business of the group or on its consolidated financial position.



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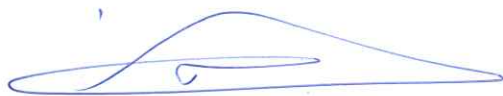
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Al Kout Industrial Projects Company K.P.S.C. and its Subsidiaries

Interim condensed consolidated statement of financial position

(All amounts in Kuwaiti Dinars unless indicated otherwise)

	Notes	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment		16,597,074	17,469,807	16,703,239
Investment in an associate	4	9,202,475	8,936,918	8,831,655
Available-for-sale financial asset		1,742,864	1,765,394	-
		<u>27,542,413</u>	<u>28,172,119</u>	<u>25,534,894</u>
Current assets				
Inventories	5	1,776,809	1,672,649	1,875,310
Trade and other receivables	6	7,472,160	6,796,943	6,169,856
Cash and bank balances	7	1,622,462	775,279	741,727
		<u>10,871,431</u>	<u>9,244,871</u>	<u>8,786,893</u>
Total assets		<u>38,413,844</u>	<u>37,416,990</u>	<u>34,321,787</u>
EQUITY AND LIABILITIES				
Equity				
Share capital	8	10,090,080	10,090,080	10,090,080
Statutory reserve		5,186,422	5,186,422	5,186,422
Voluntary reserve		5,148,415	5,148,415	5,148,415
Share of an associate's reserve		283,009	283,009	283,555
Foreign currency translation reserve		533,004	601,721	514,784
Fair value reserve		11,420	33,950	-
Retained earnings		10,871,563	10,374,672	8,780,501
Total equity		<u>32,123,913</u>	<u>31,718,269</u>	<u>30,003,757</u>
Liabilities				
Non-current liabilities				
Murabaha facility	10	1,000,000	-	-
Post-employment benefits		1,889,004	1,772,051	1,716,459
		<u>2,889,004</u>	<u>1,772,051</u>	<u>1,716,459</u>
Current liabilities				
Trade and other payables	9	3,400,927	2,926,670	2,601,571
Current portion of term loan	10	-	1,000,000	-
		<u>3,400,927</u>	<u>3,926,670</u>	<u>2,601,571</u>
Total liabilities		<u>6,289,931</u>	<u>5,698,721</u>	<u>4,318,030</u>
Total equity and liabilities		<u>38,413,844</u>	<u>37,416,990</u>	<u>34,321,787</u>



Fahed Y. Al-Jouan
Chairman



The accompanying notes set out on pages 8 to 16 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)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Revenue		5,192,779	4,234,449	16,232,620	12,213,644
Cost of sales of goods		(2,895,486)	(2,400,948)	(8,924,504)	(6,845,509)
Gross profit		2,297,293	1,833,501	7,308,116	5,368,135
Selling and distribution expenses		(153,174)	(192,577)	(492,886)	(517,689)
General and administrative expenses	11	(384,208)	(312,845)	(1,400,576)	(992,586)
Other income	12	25,526	31,900	153,933	347,735
Operating profit		1,785,437	1,359,979	5,568,587	4,205,595
Finance costs		(19,378)	(2,218)	(46,838)	(10,108)
Foreign currency exchange gain		18,922	30,624	69,461	91,383
Share of results of an associate		117,709	7,589	265,557	211,158
Profit before provisions for Kuwait Foundation for the Advancement of Sciences ("KFAS"), National Labour Support Tax ("NLST"), Zakat and Board of Directors' remuneration		1,902,690	1,395,974	5,856,767	4,498,028
KFAS		(17,850)	(13,884)	(55,912)	(42,869)
NLST		(48,840)	(35,784)	(149,343)	(114,679)
Zakat		(18,358)	(14,238)	(57,081)	(43,760)
Board of Directors' remuneration		(17,500)	(17,500)	(52,500)	(52,500)
Profit for the period		1,800,142	1,314,568	5,541,931	4,244,220
Earnings per share (basic and diluted) (fils)	13	17.84	13.03	54.92	42.06

The accompanying notes set out on pages 8 to 16 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	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Profit for the period	1,800,142	1,314,568	5,541,931	4,244,220
Other comprehensive income				
<i>Items that may be reclassified subsequently to interim condensed consolidated statement of income</i>				
Foreign exchange translation adjustments	(13,358)	(153)	(68,717)	(17,284)
Change in fair value of available-for-sale financial asset	4,898	-	(22,530)	-
Other comprehensive loss for the period	(8,460)	(153)	(91,247)	(17,284)
Total comprehensive income for the period	1,791,682	1,314,415	5,450,684	4,226,936

The accompanying notes set out on pages 8 to 16 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 reserve	Foreign currency translation reserve	Fair value 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								
Issue of bonus shares	388,080	-	-	-	(17,284)	-	4,244,220	4,226,936
Dividends paid (note 17)	-	-	-	-	-	-	(388,080)	(388,080)
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 2017	10,090,080	5,186,422	5,148,415	283,009	601,721	33,950	10,374,672	31,718,269
Profit for the period	-	-	-	-	-	-	5,541,931	5,541,931
Other comprehensive loss for the period	-	-	-	-	(68,717)	(22,530)	-	(91,247)
Total comprehensive (loss) / income for the period								
Dividends paid (note 17)	-	-	-	-	(68,717)	(22,530)	5,541,931	5,450,684
Balance at 30 September 2017 (Unaudited)	10,090,080	5,186,422	5,148,415	283,009	533,004	11,420	10,871,563	32,123,911

The accompanying notes set out on pages 8 to 16 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)

		Nine months ended 30 September	
	Note	2017 (Unaudited)	2016 (Unaudited)
Cash flows from operating activities			
Profit for the period before taxes and Board of Directors' remuneration		5,856,767	4,498,028
Adjustments for:			
Depreciation		2,406,379	2,342,522
Provision for post – employment benefits		198,101	176,596
Finance costs		46,838	10,108
Share of results of an associate		(265,557)	(211,158)
Dividend income	12	(54,695)	-
Gain on sale of property, plant and equipment	12	-	(8,613)
		<u>8,187,833</u>	<u>6,807,483</u>
Changes in working capital			
Inventories		(104,160)	(244,469)
Trade and other receivables		(675,217)	(474,883)
Trade and other payables		496,663	5,842
Cash generated from operations		<u>7,905,119</u>	<u>6,093,973</u>
KFAS paid		(58,723)	(44,830)
NLST paid		(158,349)	(228,404)
ZAKAT paid		(60,170)	(57,298)
Post – employment benefits paid		(81,148)	(87,469)
Board of Directors' remuneration paid		(60,000)	(70,000)
Net cash generated from operating activities		<u>7,486,729</u>	<u>5,605,972</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,609,061)	(2,347,786)
Dividend income received	12	54,695	-
Proceeds from sale of property, plant and equipment		-	8,613
Net cash used in investing activities		<u>(1,554,366)</u>	<u>(2,339,173)</u>
Cash flows from financing activities			
Proceeds from murabha facility		3,000,000	-
Repayment of murabha facility		(2,000,000)	-
Proceeds from short term loan		-	1,000,000
Repayment of short term loan		(1,000,000)	(1,000,000)
Finance costs paid		(46,838)	(10,108)
Dividends paid		(5,045,040)	(3,880,800)
Net cash used in financing activities		<u>(5,091,878)</u>	<u>(3,890,908)</u>
Effect of foreign currency translation		6,698	(610)
Net increase / (decrease) in cash and bank balances		<u>847,183</u>	<u>(624,719)</u>
Cash and bank balances at beginning of the period		775,279	1,366,446
Cash and bank balances at end of the period	7	<u>1,622,462</u>	<u>741,727</u>

The accompanying notes set out on pages 8 to 16 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 (after approval of Public Authority for Industry).
- Transport Company's products inside and outside the State of Kuwait according to Company's objectives.
- 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 parent company to practice its activities pursuant to the limits prescribed by law.
- Investing surplus funds in portfolios managed by specialized financial companies.
- 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 Group achieve its objectives inside Kuwait and abroad. The parent company 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 2017 were authorized for issue in accordance with a resolution by the Board of Directors' of the Parent Company on 14 November 2017.

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 annual consolidated financial statements for the year ended 31 December 2016, and any public announcements made by Group during the interim reporting period. 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 2017 are not necessarily indicative of the results that may be expected for the year ending 31 December 2017. 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 2016, 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 2017 and did not result in any material impact on the accounting policies, financial position or performance of 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)

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

This interim condensed consolidated financial information for the nine month period ended 30 September 2017 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 2017	31 December 2016	30 September 2016		
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.

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 2016.

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)

4. INVESTMENT IN AN ASSOCIATE

Name of associate	Principal activity	Place of incorporation	Ownership interest %		
			30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (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 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Al Dorra Petroleum Services Company K.S.C. (Closed) (Al Dorra)	9,202,475	8,936,918	8,831,655

5. INVENTORIES

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Raw materials	373,994	315,311	370,192
Finished goods	332,685	315,987	468,720
Spare parts	1,070,130	1,041,351	1,036,398
	<u>1,776,809</u>	<u>1,672,649</u>	<u>1,875,310</u>

6. TRADE AND OTHER RECEIVABLES

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Trade receivables	6,505,203	6,144,782	5,181,231
Prepayments	259,436	354,561	272,218
Advance to suppliers	532,847	130,191	525,211
Others	174,674	167,409	191,196
	<u>7,472,160</u>	<u>6,796,943</u>	<u>6,169,856</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 BANK BALANCES

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Cash on hand	9,554	10,565	9,156
Cash at banks	1,612,908	764,714	732,524
Cash in portfolio	-	-	47
Cash and bank balances	1,622,462	775,279	741,727

8. SHARE CAPITAL

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (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 2016: 100,900,800)	10,090,080	10,090,080	10,090,080

9. TRADE AND OTHER PAYABLES

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Trade payables	1,652,680	1,441,927	1,441,513
Advance from customers	156,552	71,863	31,739
Accrual expenses	1,181,292	987,571	778,944
Tax payable	404,517	425,309	349,375
	3,400,927	2,926,670	2,601,571

10. Borrowings

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Murabaha facility	1,000,000	-	-
Term loan	-	1,000,000	-
	1,000,000	1,000,000	-

Murabaha facility obtained from a local bank and carry a profit rate of 3.25% (31 December 2016: nil and 30 September 2016: nil) per annum.

Term loan obtained from a local bank and carry effective interest rate of 3.5% (31 December 2016: 3.5% and 30 September 2016: nil) per annum.

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)

11. General and administrative expenses

	Three months ended 30 September		Nine months ended 30 September	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Salaries and other direct employee allowances	259,367	219,217	1,046,291	677,990
Depreciation	9,182	17,859	29,917	54,198
Rent expense	12,367	12,308	37,117	36,858
Others	103,292	63,461	287,251	223,540
	<u>384,208</u>	<u>312,845</u>	<u>1,400,576</u>	<u>992,586</u>

12. Other income

	Three months ended 30 September		Nine months ended 30 September	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Gain on sale of plant, property and equipment	-	5,163	-	8,613
Distribution from Available-for-sale financial asset	-	-	-	247,429
Dividend income	-	-	54,695	-
Others	25,526	26,737	99,238	91,693
	<u>25,526</u>	<u>31,900</u>	<u>153,933</u>	<u>347,735</u>

13. 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	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Profit for the period	<u>1,800,142</u>	<u>1,314,568</u>	<u>5,541,931</u>	<u>4,244,220</u>
Weighted average number of shares outstanding during the period (shares)	<u>100,900,800</u>	<u>100,900,800</u>	<u>100,900,800</u>	<u>100,900,800</u>
Earnings per share (basic and diluted) (fiils)	<u>17.84</u>	<u>13.03</u>	<u>54.92</u>	<u>42.06</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)

14. 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	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Key management compensation				
Salaries and other short term benefits	65,018	73,719	282,745	283,899
Executive committee fees	15,000	-	45,000	15,000
Termination benefits	8,455	8,630	37,493	29,212
	88,473	82,349	365,238	328,111

15. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance. The management has grouped the Group's products and services into the following operating segments:

- Chlor Alkali
- Petrochemical products
- Logistics and Transport
- Investments.

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)			
	2017	2016	2017	2016
	Revenue		Results	
Chlor Alkali	4,603,872	3,797,251	2,137,043	1,829,173
Petrochemical products	450,661	379,500	25,936	21,274
Logistics and transport	138,246	57,698	134,315	(16,946)
Investments	-	-	117,709	7,589
	5,192,779	4,234,449	2,415,002	1,841,090
Other income			25,526	31,900
Foreign currency exchange gain			18,922	30,624
Finance costs			(19,378)	(2,218)
Unallocated expenses			(639,931)	(586,828)
Profit for the period			1,800,142	1,314,568

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)

15. SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September (Unaudited)			
	2017	2016	2017	2016
	Revenue		Results	
Chlor Alkali	14,332,526	11,289,202	6,880,828	5,339,345
Petrochemical products	1,445,343	763,880	84,356	46,898
Logistics and transport	454,751	160,562	342,932	(18,108)
Investments	-	-	265,557	211,158
	<u>16,232,620</u>	<u>12,213,644</u>	<u>7,573,671</u>	<u>5,579,293</u>
Other income			153,933	347,735
Foreign currency exchange gain			69,461	91,383
Finance costs			(46,838)	(10,108)
Unallocated expenses			(2,208,298)	(1,764,083)
Profit for the period			<u>5,541,931</u>	<u>4,244,220</u>

	Three months ended 30 September (Unaudited)			
	2017	2016	2017	2016
	Purchases of property, plant and equipment		Depreciation	
Chlor Alkali	341,570	137,720	(716,062)	(699,948)
Petrochemical products	-	-	(468)	(468)
Logistics and transport	60,757	17,904	(79,940)	(79,940)
	<u>402,327</u>	<u>155,624</u>	<u>(796,470)</u>	<u>(780,356)</u>

	Nine months ended 30 September (Unaudited)			
	2017	2016	2017	2016
	Purchases of property, plant and equipment		Depreciation	
Chlor Alkali	1,376,437	2,076,201	(2,157,543)	(2,108,579)
Petrochemical products	-	-	(1,404)	(1,404)
Logistics and transport	232,624	271,585	(247,432)	(232,539)
	<u>1,609,061</u>	<u>2,347,786</u>	<u>(2,406,379)</u>	<u>(2,342,522)</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)

15. SEGMENT INFORMATION (CONTINUED)

b. Segment assets and liabilities

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Segment assets			
Chlor Alkali	25,665,735	24,343,633	23,634,086
Petrochemical products	247,071	819,281	238,806
Logistics and transport	1,555,699	1,551,764	1,617,240
Investments	10,945,339	10,702,312	8,831,655
Total consolidated segment assets	38,413,844	37,416,990	34,321,787
Segment liabilities			
Chlor Alkali	5,661,890	5,108,594	3,868,797
Petrochemical products	305,615	321,598	206,056
Logistics and transport	322,426	268,529	243,177
Total consolidated segment liabilities	6,289,931	5,698,721	4,318,030

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	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Kuwait and Middle East	4,600,376	4,080,755	14,314,733	11,817,390
Europe and Africa	533,468	88,134	1,682,584	292,463
Asia	58,935	65,560	235,303	103,791
Total consolidated segment revenue	5,192,779	4,234,449	16,232,620	12,213,644

16. COMMITMENTS AND CONTINGENT LIABILITIES

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Capital commitments			
For the acquisition of property, plant and equipment	341,613	539,007	592,509
Contingent liabilities			
Letters of guarantee	2,883,856	4,067,565	3,865,565
Letters of credit	67,571	398,225	1,189,026
	2,951,427	4,465,790	5,054,591

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)

16. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Operating lease commitments

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

	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2016 (Unaudited)
Not later than one year	68,017	50,887	39,429
Later than one year but not later than five years	189,595	101,826	91,350

17. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meeting of shareholders held on 2 May 2017 approved the consolidated financial statements of the Group for the year ended 31 December 2016, and approved a cash dividend equivalent to 50% (31 December 2015: 40%) of the paid up share capital to the shareholders of record as of the date of the Annual General Assembly.