

**SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES  
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016  
(UNAUDITED)**

**WITH  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC)  
AND ITS SUBSIDIARIES  
STATE OF KUWAIT

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FOR THE PERIOD ENDED SEPTEMBER 30, 2016  
(UNAUDITED)  
WITH  
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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Report on review of interim condensed consolidated financial information

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## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors  
Sultan Center Food Products Company - K.S.C. (Public)  
State of Kuwait

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sultan Center Food Products Company - K.S.C. (Public) (the Parent Company) and its subsidiaries (the Group) as of September 30, 2016 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the nine months 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". 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 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 International Accounting Standard 34.

### Report on other Legal and Regulatory Requirements

Furthermore, the interim condensed consolidated financial information is in agreement with the Parent Company's books of account. 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 Regulations or of the Parent Company's Memorandum of incorporation and Articles of Association during the period ended September 30, 2016, that might have had a material effect on the Group's financial position or results of its operations.

Dr. Ali Owaid Rukheyes  
Licence No. 72-A  
Member of Nexia International – (England)  
ALWaha Auditing Office

Nayef M. Al-Bazie  
License No. 91-A  
RSM Albazie & Co.

State of Kuwait  
November 15, 2016

SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS OF SEPTEMBER 30, 2016

(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Note	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
<b>Current assets:</b>				
Cash on hand and at banks		4,828,756	4,529,451	3,660,880
Accounts receivable and other debit balances		24,604,163	23,350,758	23,977,200
Due from related parties	3	1,646,436	1,592,436	1,538,436
Gross amount due from customers for contract work		3,184,179	3,642,730	3,964,817
Inventories		26,368,831	26,224,279	26,332,708
<b>Total current assets</b>		<b>60,632,365</b>	<b>59,339,654</b>	<b>59,474,041</b>
<b>Non-current assets:</b>				
Financial assets available for sale		8,646,413	8,646,413	8,728,546
Investment in associates	4	111,216,016	108,361,925	109,544,223
Investment properties		14,575,481	14,439,847	13,845,847
Property, plant and equipment		83,493,480	84,263,921	88,241,847
Goodwill		10,738,591	10,738,591	10,738,591
Other assets		2,038,059	2,309,569	5,226,174
<b>Total non-current assets</b>		<b>230,708,040</b>	<b>228,760,266</b>	<b>236,325,228</b>
<b>Total assets</b>		<b>291,340,405</b>	<b>288,099,920</b>	<b>295,799,269</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities:</b>				
Bank borrowings – current portion	5	46,964,705	47,719,353	47,163,245
Accounts payable and other credit balances		113,606,291	109,856,517	116,314,280
Due to related parties	3	207,450	211,954	211,954
Murabaha payable – current portion	6	10,079,500	9,379,500	11,705,958
Gross amount due to customers for contract work		38,377	18,487	51,428
<b>Total current liabilities</b>		<b>170,896,323</b>	<b>167,185,811</b>	<b>175,446,865</b>
<b>Non-current liabilities:</b>				
Bank borrowings – non current portion	5	54,606,319	54,906,000	55,891,750
Murabaha payable – non current portion	6	17,409,778	18,334,641	16,523,375
Provision for end of service indemnity		6,849,114	6,389,594	6,638,381
<b>Total non-current liabilities</b>		<b>78,865,211</b>	<b>79,630,235</b>	<b>79,053,506</b>
<b>Total liabilities</b>		<b>249,761,534</b>	<b>246,816,046</b>	<b>254,500,371</b>
<b>Equity:</b>				
Capital		57,882,877	57,882,877	57,882,877
Treasury shares	7	(2,593,571)	(2,593,571)	(2,593,571)
Revaluation surplus		1,072,655	1,072,655	1,072,655
Effect of change in other comprehensive loss of associates		(4,695,591)	(3,010,474)	(4,437,885)
Cumulative changes in fair value		162,253	162,253	162,253
Foreign currency translation adjustments		(2,075,068)	(2,403,283)	(1,172,974)
Accumulated losses		(8,888,108)	(10,342,345)	(10,364,434)
Equity attributable to Parent Company's shareholders		40,865,447	40,768,112	40,548,921
Non-controlling interests		713,424	515,762	749,977
<b>Total equity</b>		<b>41,578,871</b>	<b>41,283,874</b>	<b>41,298,898</b>
<b>Total liabilities and equity</b>		<b>291,340,405</b>	<b>288,099,920</b>	<b>295,799,269</b>

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

Essam Khalil Al Refai  
 Vice Chairman

**SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2016	2015	2016	2015
<b>Operating revenue:</b>					
Sales		60,056,670	65,003,072	193,108,639	199,249,297
Contract revenue		3,304,400	2,209,858	9,123,590	6,869,956
Service contract revenue		3,102,739	2,600,765	8,359,975	7,036,432
		<u>66,463,809</u>	<u>69,813,695</u>	<u>210,592,204</u>	<u>213,155,685</u>
<b>Operating cost:</b>					
Cost of sales		49,480,404	53,217,660	160,010,680	163,843,859
Contract cost		2,535,749	1,417,049	6,860,905	4,681,649
Service contract cost		2,335,206	2,207,787	6,154,387	5,955,039
		<u>54,351,359</u>	<u>56,842,496</u>	<u>173,025,972</u>	<u>174,480,547</u>
<b>Gross profit</b>		<u>12,112,450</u>	<u>12,971,199</u>	<u>37,566,232</u>	<u>38,675,138</u>
General, administrative and selling expenses		(11,887,654)	(13,065,557)	(36,150,876)	(38,759,608)
Depreciation and amortization		(1,420,622)	(1,621,914)	(4,317,854)	(4,928,742)
Provision for doubtful debts		-	-	(1,223,769)	-
Provisions		-	-	-	(63,614)
Provision for slow moving inventory no longer required		-	-	-	166,208
Provision for doubtful debts no longer required		-	-	-	178,775
Provision for contingent liabilities no longer required		-	-	-	402,729
Other operating income		1,595,392	1,770,405	4,883,196	5,407,223
<b>Operating profit</b>		<u>399,566</u>	<u>54,133</u>	<u>756,929</u>	<u>1,078,109</u>
Group's share of results from associates	4	1,490,316	1,630,939	4,539,208	4,672,708
(Loss) / gain on sale of property, plant and equipment		(467)	-	744,391	-
Finance charges		(1,465,648)	(1,591,150)	(4,385,347)	(4,644,416)
<b>Net profit for the period</b>		<u>423,767</u>	<u>93,922</u>	<u>1,655,181</u>	<u>1,106,401</u>
Attributable to :					
Parent Company's shareholders		349,896	30,682	1,454,237	981,041
Non-controlling interests		73,871	63,240	200,944	125,360
<b>Net profit for the period</b>		<u>423,767</u>	<u>93,922</u>	<u>1,655,181</u>	<u>1,106,401</u>
<b>Earnings per share attributable to Parent Company's shareholders (fils)</b>	8	<u>0.62</u>	<u>0.05</u>	<u>2.58</u>	<u>1.74</u>

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
 INCOME (UNAUDITED)  
 FOR THE PERIOD ENDED SEPTEMBER 30, 2016  
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Nine months ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Net profit for the period		<u>423,767</u>	<u>93,922</u>	<u>1,655,181</u>	<u>1,106,401</u>
<b>Other comprehensive income:</b>					
<b><u>Items that may be reclassified subsequently to</u></b>					
<b><u>profit or loss:</u></b>					
Foreign currency translation adjustments		66,558	(82,328)	324,933	659,867
Group's share from changes in other comprehensive income (loss) of associates	4	<u>436,725</u>	<u>(525,386)</u>	<u>(1,685,117)</u>	<u>(1,324,167)</u>
Other comprehensive income (loss) for the period		<u>503,283</u>	<u>(607,714)</u>	<u>(1,360,184)</u>	<u>(664,300)</u>
Total comprehensive income (loss) for the period		<u>927,050</u>	<u>(513,792)</u>	<u>294,997</u>	<u>442,101</u>
Attributable to:					
Shareholders of the parent company		853,178	(577,033)	97,335	312,364
Non-controlling interests		73,872	63,241	197,662	129,737
Total comprehensive income (loss) for the period		<u>927,050</u>	<u>(513,792)</u>	<u>294,997</u>	<u>442,101</u>

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

**SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2016**

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Parent Company's shareholders							Non-controlling interests	Total equity	
	Capital	Treasury shares	Revaluation surplus	Effect of changes in other comprehensive loss of associates	Cumulative changes in fair value	Foreign currency translation adjustments	Accumulated losses			Sub total
Balance as of January 1, 2016	57,882,877	(2,593,571)	1,072,655	(3,010,474)	162,253	(2,403,283)	(10,342,345)	40,768,112	515,762	41,283,874
Total comprehensive (loss) income for the period	-	-	-	(1,685,117)	-	328,215	1,454,237	97,335	197,662	294,997
<b>Balance as of September 30, 2016</b>	<b>57,882,877</b>	<b>(2,593,571)</b>	<b>1,072,655</b>	<b>(4,695,591)</b>	<b>162,253</b>	<b>(2,075,068)</b>	<b>(8,888,108)</b>	<b>40,865,447</b>	<b>713,424</b>	<b>41,578,871</b>
Balance as of January 1, 2015	57,882,877	(2,593,571)	1,072,655	(3,113,718)	162,253	(1,828,464)	(11,345,475)	40,236,557	620,240	40,856,797
Total comprehensive (loss) income for the period	-	-	-	(1,324,167)	-	655,490	981,041	312,364	129,737	442,101
<b>Balance as of September 30, 2015</b>	<b>57,882,877</b>	<b>(2,593,571)</b>	<b>1,072,655</b>	<b>(4,437,885)</b>	<b>162,253</b>	<b>(1,172,974)</b>	<b>(10,364,434)</b>	<b>40,548,921</b>	<b>749,977</b>	<b>41,298,898</b>

The accompanying notes from (1) to (13) form an integral part of the interim condensed consolidated financial information.

**SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2016**

(All amounts are in Kuwaiti Dinars)

**1. Incorporation and activities**

Sultan Center Food Products Company - K.S.C. (Public) (The Parent Company) is a Public Shareholding Kuwaiti Company registered in the State of Kuwait, and was incorporated based on Articles of Incorporation No.1450 / Vol. 4 dated September 22, 1980, and its subsequent amendments, the latest of which was notarized in the commercial register under Ref. No 30225 dated February 15, 2015. The Parent Company is listed on the Kuwait Stock Exchange.

The registered address of the Parent company is P.O. Box 26567 Safat, 13126 – State of Kuwait.

The new Companies Law No. 1 of 2016 was issued on January 24, 2016 and it was published in the Official Gazette on February 1, 2016, which replaced the Companies Law No 25 of 2012 and its amendments. According to Article No. 5, the new Law will be effective retrospectively from November 26, 2012. The new executive regulations of Law No. 1, 2016 was issued on July 12, 2016 and was published in the official Gazette on July 17, 2016 which cancelled the executive regulations of Law No. 25 of 2012. In the management opinion, the adoption of the new Companies Law and its executive regulations is not expected to have any effect on the reporting entity.

The interim condensed consolidated financial information was authorized for issue by the parent company's Board of Directors on November 15, 2016.

**2. Basis of preparation**

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2015.

The interim condensed consolidated financial information does not include all of the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. 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 period ended September 30, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2015.

**3. Related party disclosures**

The Group has entered into various transactions with related parties, i.e. shareholders, board of directors, key management personnel, associates, entities under common control and other related parties in the normal course of business. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

<u>Balances included in the interim condensed consolidated statement of financial position:</u>	Major shareholders	Associates	Entities under common control	September 30,	December 31,	September 30,
				2016	2015 (Audited)	2015
Due from related parties	104,436	1,542,000	-	1,646,436	1,592,436	1,538,436
Due to related parties	-	-	207,450	207,450	211,954	211,954

  

<u>Transactions included in the interim condensed consolidated statement of profit or loss:</u>	Nine months ended September 30,				
	2016	2015			
General and administrative expenses (Rent)	-	348,443	967,598	1,316,041	1,327,161



SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES  
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)  
 SEPTEMBER 30, 2016

(All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
<b>Key management compensation:</b>				
Salaries and other short-term benefits	391,229	369,729	1,146,669	1,109,187
Termination benefits	91,734	18,828	124,875	56,484
	<u>482,963</u>	<u>388,557</u>	<u>1,271,544</u>	<u>1,165,671</u>

4. Investment in associates

The movement during the period / year is as follows:

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Balance at the beginning of the period / year	108,361,925	106,195,682	106,195,682
Group's share of results from associates	4,539,208	6,288,725	4,672,708
Group's share of other comprehensive (loss) income from associates	(1,685,117)	103,244	(1,324,167)
Disposal of an associate	-	(4,225,726)	-
Balance at the end of the period / year	<u>111,216,016</u>	<u>108,361,925</u>	<u>109,544,223</u>

As of September 30, 2016, certain shares of the associate (National Real Estate Company – K.S.C (Public)) with a market value amounting to KD 21,481,735 (December 31, 2015 – KD 24,632,390, September 30, 2015 – KD 21,242,813) are pledged to certain local banks against bank borrowings and Murabaha payable (Note 5, 6).

5. Bank borrowings

Bank borrowings are granted by local banks and foreign banks to the parent company and certain subsidiaries. Bank borrowings for certain subsidiaries are secured by corporate guarantee by the Parent Company and the subsidiaries, mortgage of certain shares of associate with a market value of KD 17,873,297 (December 31, 2015 – KD 20,494,715, September 30, 2015 – KD 18,880,313) waiver right of the revenues of some branches of a subsidiary and mortgage of freehold lands and building of subsidiaries with net book value of KD 12,331,291 (December 31, 2015 – KD 12,033,973, September 30, 2015 – KD 12,452,948).

The annual interest on the above bank borrowings is as follows:

Description	Currency	Interest rate (%)		
		September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Weighted average annual interest rate over Central Bank of Kuwait discount rate	Kuwaiti Dinar	1.75 – 2.5	1.75 – 2.5	1.75 – 2.5
Weighted average annual interest rate	Jordanian Dinar	6.5 – 8.5	6.5 – 8.5	6.5 – 8.5
Weighted average annual interest rate over LIBOR rate	US Dollar	2.5	2.5	2.5

SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES  
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(All amounts are in Kuwaiti Dinars)

6. Murabaha payable

Murabaha payable are secured by mortgage of certain shares of associates with market value of KD 3,608,438 (December 31, 2015 – KD 4,137,675, September 30, 2015 – KD 2,362,500), mortgage of freehold lands and buildings owned by a subsidiary with a net book value of KD 3,311,405 (December 31, 2015 – KD 3,322,702, September 30, 2015 – KD 3,318,503) and mortgage of investment properties owned by a subsidiary amounting to KD 7,493,000 (December 31, 2015 – KD 7,493,000, September 30, 2015 – KD 7,493,000).

7. Treasury shares

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Number of shares	14,272,535	14,272,535	14,272,535
Percentage of paid up shares	2.47%	2.47%	2.47%
Market value (KD)	756,444	956,260	1,241,711
Cost (KD)	2,593,571	2,593,571	2,593,571

Due to accumulated losses, the Parent Company has not allotted any amount in relation to treasury shares balance as of the interim condensed consolidated financial information.

8. Earnings per share

The information necessary to calculate basic earnings per share based on weighted average number of shares outstanding during the period is as follows:

	Three months ended September 30		Nine months ended September 30,	
	2016	2015	2016	2015
Net profit for the period attributable to the parent company's shareholders	349,896	30,682	1,454,237	981,041
<u>Number of shares outstanding:</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>	<u>Shares</u>
Number of issued shares at the beginning of the period	578,828,768	578,828,768	578,828,768	578,828,768
Less: Weighted average number of treasury shares	(14,272,535)	(14,272,535)	(14,272,535)	(14,272,535)
Weighted average number of shares outstanding at the end of the period	564,556,233	564,556,233	564,556,233	564,556,233
Earnings per share attributable to the parent company's shareholders (fils)	0.62	0.05	2.58	1.74

9. Working capital

The interim condensed consolidated financial information has been prepared on a going concern basis, which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments that might arise due to uncertainty of the Group's ability to continue as a going concern.

As of September 30, 2016, the Group's accumulated losses amounted to KD 8,888,108 (December 31, 2015 – KD 10,342,345, September 30, 2015 – KD 10,364,434). The Group's current liabilities exceed current assets by KD 110,263,958 (December 31, 2015 – KD 107,846,157, September 30, 2015 – KD 115,972,824).

The Group's ability to continue as a going concern depends on its ability to make profits, enhance its future cash flows restructures, its credit facilities and the financial support of its major shareholders.

**SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
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(All amounts are in Kuwaiti Dinars)

The Group's management has reasonable expectations that its lending institutions will continue and renew its credit facilities because of the Group's quality of investments and assets. It also expects that its assets exit plan will be concluded successfully as per the current market trend. In addition, the Group's major shareholders will provide the financial support to the Group as and when required.

10. Contingent liabilities and legal claims

At September 30 / December 31, the group is contingently liable in respect of the following:

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Letters of guarantee	16,091,568	17,111,030	17,017,298
Letters of credit	3,732,415	1,864,802	2,726,050
	<u>19,823,983</u>	<u>18,975,832</u>	<u>19,743,348</u>

There are no material changes in the contingent liabilities and legal claims of the associate Company – National Real Estate company K.S.C. (Public) other than disclosed in the audited consolidated financial statements for the year ended December 31, 2015.

11. Capital commitments

One of the subsidiaries has entered into a 25 year agreement for the lease of land and another subsidiary has entered into a 22 year agreement for the lease of another land, also, one subsidiary enter into various operating lease agreements ranging from 2 – 15 years. Under the lease agreements, the subsidiaries are committed to pay annual lease rentals as follows:

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Less than 1 year	230,683	480,672	234,955
From 1 to 5 years	2,333,823	4,346,925	3,773,411
More than 5 years	19,674,271	19,331,265	19,107,008
	<u>22,238,777</u>	<u>24,158,862</u>	<u>23,115,374</u>

The Group's share of capital commitments of the associate are as follows:

- a) Capital commitments amounting to KD 3,461,383(December 31, 2015 - KD 6,793,012 - September 30, 2015 – KD 3,247,225).
- b) Commitments under a major non-cancelable operating lease, primarily for land leased from the Government of Kuwait for the Water Front Project as follows:

Year	Amount
2016 - 2019	<u>26,209</u>
	<u>26,209</u>

For the operating lease commitments, the associate company is required to give to Ministry of Finance a bank guarantee of 0.5% of the total value of the capital project concerned for the purpose of maintenance services.

SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

SEPTEMBER 30, 2016

(All amounts are in Kuwaiti Dinars)

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12. General Assembly

The parent company's Shareholders annual ordinary general assembly held on June 2, 2016 approved not to distribute cash or bonus shares and approved the Board of Directors' remuneration amounting to KD 60,000 for the year ended December 31, 2015.

The parent company's Shareholders annual ordinary general Assembly held on May 27, 2015, approved not to distribute cash or bonus shares, and approved the Board of Director's remuneration amounting to KD 60,000 for the year ended December 31, 2014.

**SULTAN CENTER FOOD PRODUCTS COMPANY - K.S.C. (PUBLIC) AND ITS SUBSIDIARIES**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2016**  
 (All amounts are in Kuwaiti Dinars)

13. Segment information

For management purposes, the group has the following strategic divisions as reportable operating segments, which are summarized as follows:

Reportable operating segment	Description
Retail	Food products hyper markets.
Investment	Investing in securities, associates and joint operations.
Contracting	Construction
Real Estate	Management, development, and trading in real estate.

Information related to each reportable operating segment is set out below:

	Nine months ended September 30, 2016				
	Retail	Investment	Contracting	Real Estate	Total
Total revenue	189,623,383	548,020	19,146,028	1,274,773	210,592,204
Gross profit	32,280,163	(24,523)	4,766,276	544,316	37,566,232
Depreciation and amortization	(3,809,529)	-	(138,418)	(369,907)	(4,317,854)
Finance charges	(319,002)	(4,037,185)	(29,160)	-	(4,385,347)
Net (loss) profit for the period	(338,868)	454,984	1,959,964	(420,899)	1,655,181
Total assets	113,370,963	125,023,170	19,630,415	33,315,857	291,340,405
Total liabilities	239,822,447	108,763	5,884,745	3,945,579	249,761,534

	Nine months ended September 30, 2015				
	Retail	Investment	Contracting	Real Estate	Total
Total revenue	196,962,250	178,135	14,570,100	1,445,200	213,155,685
Gross profit	34,796,019	9,001	3,128,712	741,406	38,675,138
Depreciation and amortization	(4,371,860)	-	(179,618)	(377,264)	(4,928,742)
Finance charges	(697,710)	(3,946,710)	-	4	(4,644,416)
Net profit (loss) for the period	1,261,743	(2,177,718)	2,356,970	(334,594)	1,106,401
Total assets	125,244,923	119,029,396	16,924,759	34,600,191	295,799,269
Total liabilities	244,940,090	57,031	6,061,325	3,441,925	254,500,371