

Our ref: KIPCO/TM 452/20 dated August 13, 2020

**Boursa Kuwait Company**  
**KUWAIT**

السادة/ شركة بورصة الكويت المحترمين  
دولة الكويت

Subject: Results of KIPCO's Board of Directors meeting

الموضوع: نتائج اجتماع مجلس إدارة شركة كيبكو

As per regulations of the fourth chapter from module ten "Disclosure & Transparency" of the executive bylaws of Law No. (7) of 2010, amended by Law No. (22) of 2015 on the establishment of the Capital Market Authority and the regulation of securities activity and its amendments.

عملاً بأحكام الفصل الرابع من الكتاب العاشر (الإفصاح والشفافية) من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 المعدل بموجب القانون رقم (22) لسنة 2015 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاته.

We are pleased to inform you that the Board of Directors held its meeting on 13 August 2020 at 1:00 pm Where it has discussed and approved the interim condensed consolidated unaudited financial statements for the period ended 31 March 2020 and the interim condensed consolidated unaudited financial statements for the period ended 30 June 2020, Also, please find enclosed the following forms:

نفيدكم علماً بأن مجلس الإدارة قد عقد اجتماعه بتاريخ 13 أغسطس 2020 في تمام الساعة الواحدة ظهراً وقد تمت مناقشة واعتماد البيانات المالية المرحلية المجمعة الغير مدققة للفترة المنتهية في 31 مارس 2020 و البيانات المالية المرحلية المجمعة الغير مدققة للفترة المنتهية في 30 يونيو 2020 ، كما تجدون أيضاً مرفق طيه النماذج التالية:

- The quarterly financial statements results form (Q1-2020) along with the auditor report.
- The quarterly financial statements results form (Q2-2020) along with the auditor report.
- Disclosure form of impacts of the events arising from the Novel Coronavirus outbreak on the financial statements.

- النموذج الخاص بالبيانات المالية المرحلية المنتهية في 2020/3/31 مع تقرير مراقب الحسابات.
- النموذج الخاص بالبيانات المالية المرحلية المنتهية في 2020/6/30 مع تقرير مراقب الحسابات.
- نموذج الإفصاح عن تأثير الأحداث الناتجة عن انتشار فايروس كورونا المستجد على البيانات المالية.

Pursuant to the requirements of Boursa Kuwait rulebook issued under resolution (1) 2018 and since KIPCO has been classified within the 'Premier Market', KIPCO is glad to announce that the analyst conference will be conducted on Wednesday 19 August 2020 at 2:00 p.m. local time through a conference call. Interested parties may visit our website [www.kipco.com](http://www.kipco.com) under Investor Relations page for instructions on how to participate in the conference call or contact KIPCO via email: [kipco.ir@kipco.com](mailto:kipco.ir@kipco.com).

وعملاً بمتطلبات قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أنه تم تصنيف كيبكو ضمن "السوق الأول" من قبل شركة بورصة الكويت، فإنه يسرنا الإعلان عن مؤتمر المحللين/المستثمرين والذي تقرر انعقاده عن طريق البث المباشر لمكالمة هاتفية جماعية (Live Conference Call) في تمام الساعة الثانية (وفقاً للتوقيت المحلي) من بعد ظهر يوم الأربعاء الموافق 19 أغسطس 2020، ويرجى من الأطراف المعنية زيارة قسم علاقات المستثمرين في موقعنا الإلكتروني [www.kipco.com](http://www.kipco.com) أو التواصل من خلال البريد الإلكتروني التالي: [kipco.ir@kipco.com](mailto:kipco.ir@kipco.com) وذلك لتزويدهم بتفاصيل المشاركة بالمؤتمر.

Sincerely,



**Faisal Hamad Al Ayyar**  
Vice Chairman (Executive)

**كيبكو**  
**KIPCO**  
شركة مشاريع الكويت (القابضة)  
Kuwait Projects Company (Holding)

وتفضلوا بقبول فائق الاحترام،،

**فيصل حمد العيار**  
نائب رئيس مجلس الإدارة (التنفيذي)

Financial Results Form  
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية  
للشركات الكويتية (د.ك.)

First Quarter Results Ended on

2020-03-31

نتائج الربع الاول المنتهي في

Company Name

Kuwait Projects Company (Holding) K.S.C.P.

اسم الشركة

شركة مشاريع الكويت (القابضة) ش.م.ك.ع

Board of Directors Meeting Date

تاريخ اجتماع مجلس الإدارة

2020-08-13

Required Documents

المستندات الواجب إرفاقها بالنموذج

☒ Approved financial statements

☒ نسخة من البيانات المالية المعتمدة

☒ Approved auditor's report

☒ نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	فترة الثلاث اشهر المقارنة	فترة الثلاث اشهر الحالية	البيان
Change (%)	Three Month Comparative Period	Three Month Current Period	Statement
	2019-03-31	2020-03-31	
700%	(4,809,000)	28,848,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
374%	(5.8)	15.9	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
1%	5,473,858,000	5,525,540,000	الموجودات المتداولة Current Assets
3%	10,123,767,000	10,475,142,000	إجمالي الموجودات Total Assets
3%	7,030,725,000	7,252,943,000	المطلوبات المتداولة Current Liabilities
4%	9,136,548,000	9,469,924,000	إجمالي المطلوبات Total Liabilities
8%	244,233,000	262,576,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
39%	166,950,000	232,613,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
475%	13,334,000	76,709,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
NA	لا يوجد خسائر متراكمة/ No Accumulated losses	لا يوجد خسائر متراكمة/ No Accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital



التغيير (%)	الربع الاول المقارن	الربع الاول الحالي	البيان
Change (%)	First Quarter Comparat Period	First Quarter Current Period	Statement
	2019-03-31	2020-03-31	
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	إجمالي الإيرادات التشغيلية Total Operating Revenue
Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	Not Applicable/ لا ينطبق	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The increase in the net profit for the period ended 31/03/2020 over the same comparative period in 2019 is mainly driven by the increase of investment income , which was partially offset by a decrease in the profits of our group companies operating in the banking, industrial and asset management sectors impacted by the early negative economic effect of Coronavirus pandemic.	يعود سبب ارتفاع الأرباح للفترة المالية المنتهية في 2020/03/31 مقارنة بالفترة نفسها من العام 2019 بشكل رئيسي الى الزيادة في إيرادات الاستثمار. وقد تأثر هذا الربح جزئيا بانخفاض أرباح شركات المجموعة العاملة في قطاعات البنوك , الصناعة وإدارة الأصول متأثرة بطلائع التداعيات السلبية الاقتصادية لجائحة فيروس كورونا .
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
5,121,000	5,121,000
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
2,099,000	2,099,000

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
-	-	توزيعات نقدية	Cash Dividends
-	-	توزيعات أسهم منحة	Bonus Share
-	-	توزيعات أخرى	Other Dividend
-	-	عدم توزيع أرباح	No Dividends
-	-	زيادة رأس المال	Capital Increase
-	-	تخفيض رأس المال	Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
None	لا يوجد

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		Vice Chairman (Executive) نائب رئيس مجلس الإدارة (التنفيذي)	Faisal Hamad Al Ayyar فيصل حمد العيار

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد



Building a better  
working world

Ernst & Young  
Al Aiban, Al Osaيمي & Partners  
P.O. Box 74  
18-21st Floor, Baitak Tower  
Ahmed Al Jaber Street  
Safat Square 13001, Kuwait

Tel: +965 2295 5000  
Fax: +965 2245 6419  
kuwait@kw.ey.com  
ey.com/mena



**RSM**

RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42  
Abdulaziz Hamad Alsaqar St., Sharq  
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000  
F +965 22412761

www.rsm.global/kuwait

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Projects Company Holding K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 31 March 2020, and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated cash flow statement and interim condensed consolidated statement of changes in equity for the three months period then ended. The management of the Parent Company 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 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.

### **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 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, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL-AIBAN, AL-OSAIMI & PARTNERS

NAYEF M. AL-BAZIE  
LICENSE NO. 91-A  
RSM ALBAZIE & CO.

13 August 2020  
Kuwait



# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2020

		<i>(Audited)</i> 31 March 2020 KD 000's	31 December 2019 <i>(Restated) *</i> KD 000's	31 March 2019 <i>(Restated) *</i> KD 000's
	Notes			
<b>ASSETS</b>				
Cash in hand and at banks	4	1,424,895	1,581,969	1,849,605
Treasury bills, bonds and other debt securities		550,096	546,271	705,219
Loans and advances	5	5,075,597	5,072,573	4,587,749
Financial assets at fair value through profit or loss		284,159	288,622	250,166
Financial assets at fair value through other comprehensive income		358,688	322,286	270,976
Other assets		651,844	584,468	542,190
Properties held for trading		100,951	102,092	99,176
Investment in associates		345,017	352,069	349,259
Investment in a media joint venture	3	-	125,049	161,676
Investment properties		634,615	630,394	624,352
Property, plant and equipment		390,911	364,464	355,304
Intangible assets		658,369	317,932	328,095
<b>TOTAL ASSETS</b>		<b>10,475,142</b>	<b>10,288,189</b>	<b>10,123,767</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Due to banks and other financial institutions		1,445,153	1,425,361	1,607,567
Deposits from customers		5,285,076	5,336,058	5,115,320
Loans payable	6	805,303	704,979	690,629
Bonds	7	476,025	475,485	473,073
Medium term notes	8	766,330	752,413	602,777
Other liabilities		692,037	584,598	647,182
<b>Total liabilities</b>		<b>9,469,924</b>	<b>9,278,894</b>	<b>9,136,548</b>
<b>Equity</b>				
Equity attributable to equity holders of the Parent Company	9	262,576	251,167	244,233
Perpetual capital securities		153,332	153,332	146,440
Non controlling interest		589,310	604,796	596,546
<b>Total equity</b>		<b>1,005,218</b>	<b>1,009,295</b>	<b>987,219</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,475,142</b>	<b>10,288,189</b>	<b>10,123,767</b>



Faisal Hamad Al Ayyar  
Vice Chairman (Executive)

\* Certain amounts shown here do not correspond to the consolidated financial statements as at 31 December 2019 and interim condensed consolidated financial information as at 31 March 2019 and reflect adjustments made as detailed in Note 2 and 3.

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

---

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**(UNAUDITED)**  
For the period ended 31 March 2020

		<i>Three months ended</i> <b>31 March</b>	
			<i>(Restated) *</i>
	<i>Notes</i>	<b>2020</b> <i>KD 000's</i>	<b>2019</b> <i>KD 000's</i>
<b>Income:</b>			
Interest income		<b>93,884</b>	99,072
Investment income	10	<b>78,509</b>	4,624
Fee and commission income		<b>13,956</b>	12,520
Share of results of associates		<b>3,672</b>	11,873
Share of results from a media joint venture		<b>(6,101)</b>	(11,311)
Digital satellite network services income		<b>2,656</b>	3,241
Hospitality and real estate income		<b>33,889</b>	26,333
Educational service income		<b>7,466</b>	7,283
Manufacturing and distribution income		<b>3,231</b>	5,280
Other income		<b>6,833</b>	6,409
Foreign exchange (loss) gain		<b>(5,382)</b>	1,626
		<b>232,613</b>	166,950
<b>Expenses:</b>			
Interest expense		<b>64,759</b>	72,537
Digital satellite network services expense		<b>1,374</b>	2,467
Hospitality and real estate expenses		<b>28,414</b>	18,671
Educational service expense		<b>3,980</b>	3,409
Manufacturing and distribution expenses		<b>2,853</b>	4,994
General and administrative expenses		<b>47,911</b>	45,854
Depreciation and amortisation		<b>6,613</b>	5,684
		<b>155,904</b>	153,616
<b>Operating profit before provisions</b>		<b>76,709</b>	13,334
Provision for credit losses	5	<b>(33,179)</b>	(930)
Provision for impairment of other financial and non-financial assets		<b>(4,269)</b>	(839)
<b>Profit before taxation</b>		<b>39,261</b>	11,565
Taxation		<b>(2,482)</b>	(3,299)
<b>Profit for the period</b>		<b>36,779</b>	8,266
<b>Profit (loss) attributable to:</b>			
Equity holders of the Parent Company		<b>28,848</b>	(4,809)
Non-controlling interest		<b>7,931</b>	13,075
		<b>36,779</b>	8,266
		<i>Fils</i>	<i>Fils</i>
<b>EARNINGS (LOSS) PER SHARE:</b>			
Basic - attributable to the equity holders of the Parent Company	11	<b>15.9</b>	(5.8)
Diluted - attributable to the equity holders of the Parent Company	11	<b>15.9</b>	(5.8)

\* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 31 March 2019 and reflect adjustments made as detailed in Note 2 and 3.

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

Financial Results Form  
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية  
للشركات الكويتية (د.ك.)

Second quarter results Ended on	2020-06-30	نتائج الربع الثاني المنتهي في
---------------------------------	------------	-------------------------------

Company Name	اسم الشركة
Kuwait Projects Company (Holding) K.S.C.P.	شركة مشاريع الكويت (القابضة) ش.م.ك.ع
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-08-13	
Required Documents	المستندات الواجب إرفاقها بالنموذج
<input checked="" type="checkbox"/> Approved financial statements	<input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة
<input checked="" type="checkbox"/> Approved auditor's report	<input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	فترة الستة اشهر المقارنة	فترة الستة اشهر الحالية	البيان Statement
Change (%)	Six Month Comparative Period	Six Month Current Period	
	2019-06-30	2020-06-30	
161%	(18,027,000)	11,028,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
130%	(15.2)	4.6	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
(4%)	5,569,162,000	5,360,843,000	الموجودات المتداولة Current Assets
2%	10,075,503,000	10,306,397,000	إجمالي الموجودات Total Assets
6%	6,572,999,000	6,963,851,000	المطلوبات المتداولة Current Liabilities
3%	9,118,753,000	9,364,907,000	إجمالي المطلوبات Total Liabilities
5%	206,393,000	216,514,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
15%	339,764,000	391,536,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
174%	24,221,000	66,400,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
NA	لا يوجد خسائر متراكمة/ No Accumulated losses	لا يوجد خسائر متراكمة/ No Accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital



البيان Statement	الربع الثاني الحالي Second quarter Current Period	الربع الثاني المقارن Second quarter Comparative Period	التغيير (%) Change (%)
	2020-06-30	2019-06-30	
صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	(17,820,000)	(13,218,000)	35%
ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share	(11.3)	(9.4)	20%
إجمالي الإيرادات التشغيلية Total Operating Revenue	158,923,000	172,814,000	(8%)
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	(10,309,000)	10,887,000	(195%)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

سبب ارتفاع/انخفاض صافي الربح (الخسارة)	Increase/Decrease in Net Profit (Loss) is due to
يعود سبب ارتفاع الأرباح للفترة المالية المنتهية في 2020/6/30 مقارنة بالفترة نفسها من العام 2019 بشكل رئيسي إلى الزيادة في إيرادات الاستثمار و النتائج الإيجابية لقطاع التأمين. وقد تأثر هذا الربح جزئياً بانخفاض أرباح شركات المجموعة العاملة في قطاعات البنوك، العقار، الصناعة و الاستثمار بسبب التداعيات السلبية لانتشار جائحة فيروس كورونا.	The increase in the net profit for the period ended 30/06/2020 over the same comparative period in 2019 is mainly driven by the increase of investment income and the positive results of the insurance segment, which was partially offset by a decrease in the profits of our group companies operating in the banking , real estate, industrial and asset management sectors due to the negative effect of Coronavirus pandemic outbreak.
بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Revenue realized from dealing with related parties (value, KWD)
7,987,000	7,987,000
بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Expenditures incurred from dealing with related parties (value, KWD)
3,962,000	3,962,000

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)
النسبة	القيمة	
-	-	توزيعات نقدية Cash Dividends
-	-	توزيعات أسهم منحة Bonus Share
-	-	توزيعات أخرى Other Dividend
-	-	عدم توزيع أرباح No Dividends
-	-	زيادة رأس المال Capital Increase
-	-	تخفيض رأس المال Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
None	لا يوجد

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
 كيبكو KIPCO شركة مشاريع الكويت (القابضة) Kuwait Projects Company (Holding)		Vice Chairman (Executive) نائب رئيس مجلس الإدارة (التنفيذي)	Faisal Hamad Al Ayyar فيصل حمد العيار

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب إرفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد





Building a better  
working world

Ernst & Young  
Al Aiban, Al Osaimi & Partners  
P.O. Box 74  
18-21st Floor, Baitak Tower  
Ahmed Al Jaber Street  
Safat Square 13001, Kuwait

Tel: +965 2295 5000  
Fax: +965 2245 6419  
kuwait@kw.ey.com  
ey.com/mena



**RSM**

RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42  
Abdulaziz Hamad Alsaqar St., Sharq  
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000  
F +965 22412761

www.rsm.global/kuwait

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Kuwait Projects Company Holding K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group") as at 30 June 2020, and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for three months and six months periods then ended, and the related interim condensed consolidated cash flow statement and interim condensed consolidated statement of changes in equity for the six months period then ended. The management of the Parent Company 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 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.

### **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 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, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended 30 June 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL-AIBAN, AL-OSAIMI & PARTNERS

NAYEF M. AL-BAZIE  
LICENSE NO. 91-A  
RSM ALBAZIE & CO.

13 August 2020  
Kuwait

# Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2020

		<b>30 June 2020</b>	<i>(Audited)</i> <b>31 December 2019</b>	<b>30 June 2019</b>
	<i>Notes</i>	<b>KD 000's</b>	<i>(Restated) *</i> <b>KD 000's</b>	<i>(Restated) *</i> <b>KD 000's</b>
<b>ASSETS</b>				
Cash in hand and at banks	4	<b>1,403,446</b>	1,581,969	1,554,112
Treasury bills, bonds and other debt securities		<b>581,606</b>	546,271	695,851
Loans and advances	5	<b>4,874,169</b>	5,072,573	4,861,316
Financial assets at fair value through profit or loss		<b>264,466</b>	288,622	245,480
Financial assets at fair value through other comprehensive income		<b>411,373</b>	322,286	280,259
Other assets		<b>659,190</b>	584,468	536,980
Properties held for trading		<b>99,909</b>	102,092	100,705
Investment in associates		<b>347,361</b>	352,069	341,905
Investment in a media joint venture	3	<b>-</b>	125,049	151,456
Investment properties		<b>631,923</b>	630,394	624,376
Property, plant and equipment		<b>376,237</b>	364,464	356,489
Intangible assets		<b>656,717</b>	317,932	326,574
<b>TOTAL ASSETS</b>		<b>10,306,397</b>	<b>10,288,189</b>	<b>10,075,503</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Due to banks and other financial institutions		<b>1,453,037</b>	1,425,361	1,332,067
Deposits from customers		<b>5,217,433</b>	5,336,058	5,359,856
Loans payable	6	<b>742,159</b>	704,979	699,621
Bonds	7	<b>476,165</b>	475,485	473,208
Medium term notes	8	<b>764,728</b>	752,413	600,932
Other liabilities		<b>711,385</b>	584,598	653,069
<b>Total liabilities</b>		<b>9,364,907</b>	<b>9,278,894</b>	<b>9,118,753</b>
<b>Equity</b>				
Equity attributable to equity holders of the Parent Company	9	<b>216,514</b>	251,167	206,393
Perpetual capital securities		<b>153,332</b>	153,332	146,440
Non controlling interest		<b>571,644</b>	604,796	603,917
<b>Total equity</b>		<b>941,490</b>	<b>1,009,295</b>	<b>956,750</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>10,306,397</b>	<b>10,288,189</b>	<b>10,075,503</b>



Faisal Hamad Al Ayyar  
Vice Chairman (Executive)

\* Certain amounts shown here do not correspond to the consolidated financial statements as at 31 December 2019 and interim condensed consolidated financial information as at 30 June 2019 and reflect adjustments made as detailed in Note 2 and 3.

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.



Kuwait Projects Company Holding K.S.C.P. and Subsidiaries

**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**

**(UNAUDITED)**

For the period ended 30 June 2020

	Notes	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
		<i>(Restated) *</i>		<i>(Restated) *</i>	
		<i>2020</i> <i>KD 000's</i>	<i>2019</i> <i>KD 000's</i>	<i>2020</i> <i>KD 000's</i>	<i>2019</i> <i>KD 000's</i>
<b>Income:</b>					
Interest income		<b>72,656</b>	106,410	<b>166,540</b>	205,482
Investment income	10	<b>(2,512)</b>	6,665	<b>75,997</b>	11,289
Fee and commission income		<b>12,943</b>	15,561	<b>26,899</b>	28,081
Share of results of associates		<b>4,884</b>	4,499	<b>8,556</b>	16,372
Share of results from a media joint venture		-	(20,293)	<b>(6,101)</b>	(31,604)
Media and digital satellite network services income		<b>28,796</b>	3,153	<b>31,452</b>	6,394
Hospitality and real estate income		<b>22,095</b>	31,257	<b>55,984</b>	57,590
Educational service income		<b>7,410</b>	7,429	<b>14,876</b>	14,712
Manufacturing and distribution income		<b>1,929</b>	6,703	<b>5,160</b>	11,983
Other income		<b>5,619</b>	8,213	<b>12,452</b>	14,622
Foreign exchange gain (loss)		<b>5,103</b>	3,217	<b>(279)</b>	4,843
		<b>158,923</b>	172,814	<b>391,536</b>	339,764
<b>Expenses:</b>					
Interest expense		<b>63,768</b>	73,470	<b>128,527</b>	146,007
Media and digital satellite network services expenses		<b>34,535</b>	2,326	<b>35,909</b>	4,793
Hospitality and real estate expenses		<b>16,316</b>	21,629	<b>44,730</b>	40,300
Educational service expense		<b>4,073</b>	5,488	<b>8,053</b>	8,897
Manufacturing and distribution expenses		<b>1,630</b>	6,140	<b>4,483</b>	11,134
General and administrative expenses		<b>43,335</b>	46,772	<b>91,246</b>	92,626
Depreciation and amortisation		<b>5,575</b>	6,102	<b>12,188</b>	11,786
		<b>169,232</b>	161,927	<b>325,136</b>	315,543
<b>Operating (loss) profit before provisions</b>		<b>(10,309)</b>	10,887	<b>66,400</b>	24,221
Provision for credit losses	5	<b>(10,278)</b>	(4,534)	<b>(43,457)</b>	(5,464)
Provision for impairment of other financial and non-financial assets		<b>(156)</b>	(800)	<b>(4,425)</b>	(1,639)
<b>(Loss) profit before taxation</b>		<b>(20,743)</b>	5,553	<b>18,518</b>	17,118
Taxation		<b>(2,558)</b>	(4,551)	<b>(5,040)</b>	(7,850)
<b>(Loss) profit for the period</b>		<b>(23,301)</b>	1,002	<b>13,478</b>	9,268
<b>(Loss) profit attributable to:</b>					
Equity holders of the Parent Company		<b>(17,820)</b>	(13,218)	<b>11,028</b>	(18,027)
Non-controlling interest		<b>(5,481)</b>	14,220	<b>2,450</b>	27,295
		<b>(23,301)</b>	1,002	<b>13,478</b>	9,268
		<i>Fils</i>	<i>Fils</i>	<i>Fils</i>	<i>Fils</i>
<b>(LOSS) EARNINGS PER SHARE:</b>					
Basic - attributable to the equity holders of the Parent Company	11	<b>(11.3)</b>	(9.4)	<b>4.6</b>	(15.2)
Diluted - attributable to the equity holders of the Parent Company	11	<b>(11.3)</b>	(9.4)	<b>4.6</b>	(15.2)

\* Certain amounts shown here do not correspond to the interim condensed consolidated financial information as at 30 June 2019 and reflect adjustments made as detailed in Note 2 and 3.

The attached notes 1 to 17 form part of these interim condensed consolidated financial information.

Off-site Supervision Department  
Supervision Sector

**"Disclosure of impacts of the events arising from the  
Novel Coronavirus Outbreak on the financial statements" Form**

Sr.	First: Impact of Novel Coronavirus on the Company's financial position	
1	Impact on real estate assets whatever its classification	Decrease of approximately Kuwait Dinars "KD" 3 Mn
2	Impact on investments at fair value through profit or loss (FVPTL)	Decrease of approximately KD 2 Mn
3	The impact on investments at fair value through other comprehensive income (FVOCI)	Decrease of approximately KD 3.5 Mn
4	Impact on investments carried at amortized cost	No material impact
5	Impact on associates and Joint ventures	Decrease of KD 8 Mn related mainly to Covid19 impact and to the drop in oil prices partially offset by the increase in group's revenues from insurance sector.
6	Impact on receivables and other financial assets	The Group has considered the potential impact of the uncertainties caused by Covid-19 pandemic on the different economic sectors and relief measures of Governments and Central Banks while estimating Expected Credit Losses "ECL" requirements for the 6 months ended 30 June 2020 which has resulted in an increase in the ECL provisions by KD 43 Mn . This is expected to include losses resulting from customer specific factors that cannot be segregated from Covid-19 impact. The postponement of payments of consumer loans, housing loans and credit cards for six months in Kuwait, resulted in a loss of KD 8.5 Mn arising from the modification of contractual cashflows. Decrease in the value of other financial assets driven by an increase in provision by KD 3 Mn mainly impacted by Covid-19 and other factors not separately identifiable and quantifiable.
7	Impact on loans and Accounts payable	No material impact
8	Impact on Inventory	No material impact
9	Impact on goodwill and intangible assets	No material impact
10	Any other significant impact on the statement of financial position	No material impact



Off-site Supervision Department  
Supervision Sector

Sr.	Second: Impact of the Novel Coronavirus on the company's main activities (revenues and expenses), including the effects of government incentives	
1	Impact on revenues	<p>Decrease in the Group share of the revenues from:</p> <ul style="list-style-type: none"> <li>➤ Net Interest income of KD 22 Mn mainly due to decrease in benchmark interest rates in response to Covid19 pandemic and modification loss arising from the postponement of payments of consumer loans ,housing loans and credit cards for six months in Kuwait.</li> <li>➤ Net Hospitality and real estate income: Approximately KD 9.5 Mn total impact mainly due to rent waiver offered and temporary shutdown of Hotel business during lockdown in different regions.</li> <li>➤ Share of results of associates: KD 8 Mn mainly attributable to Covid 19 and drop of oil prices offset by improvement in the insurance sector profits.</li> <li>➤ Investment income: Approximately KD 5 Mn driven by revaluation loss on properties and other financial investments mainly driven by Covid 19 effect.</li> </ul>
2	Impact on Expenses	<ul style="list-style-type: none"> <li>➤ Contribution of KIPCO group companies in Kuwait to support the state efforts against the spread of Novel Coronavirus by KD 2.5 Mn and regionally by almost KD 1 Mn.</li> <li>➤ Cost optimization measures applied at the level of the group companies.</li> </ul>

Third: Impact of the Novel Coronavirus on the company's ability to continue as a going concern	
No Impact	

Fourth: Steps taken by the Company to contain economic effects resulting from the Novel Coronavirus outbreak
<ul style="list-style-type: none"> <li>➤ Acceleration of the digital transformation of our group companies mainly the ones operating in the banking, insurance and media sector.</li> <li>➤ Cost optimization measures set in place.</li> <li>➤ Cashflow management</li> <li>➤ Proactive risk measurement measures have been taken to mitigate credit, market and liquidity risk</li> </ul>