

Our ref: KIPCO/TMO 159/21 dated March 22, 2021.

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 22 March 2021 at 1 pm where it has discussed and approved consolidated financial statements of 2020, proposed dividends and recommendation to the EGM to increase the authorized capital to KD 300 million. Also, please find enclosed the annual financial statements form for the year ended 31 December 2020 along with auditor report.

نفيدكم علماً بأن مجلس الإدارة قد عقد اجتماعه بتاريخ 22 مارس 2021 في تمام الساعة الواحدة ظهراً وقد تمت مناقشة واعتماد البيانات المالية المجمعة للعام 2020 والتوصية بتوزيعات الأرباح، كما تمت التوصية للجمعية العامة الغير عادية بزيادة رأس المال المصرح به ليصبح 300 مليون دينار كويتي. تجدون أيضاً مرفق طيه النموذج الخاص بالبيانات المالية السنوية المنتهية في 31 ديسمبر 2020 مع تقرير مراقب الحسابات.

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 24 March 2021 at 1:00 p.m. local time through a conference call. Interested parties may visit our website 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.

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 الواحدة (وفقاً للتوقيت المحلي) من بعد ظهر يوم الأربعاء الموافق 24 مارس 2021، ويرجى من الأطراف المعنية زيارة قسم علاقات المستثمرين في موقعنا الإلكتروني www.kipco.com او التواصل من خلال البريد الإلكتروني التالي: kipco.ir@kipco.com وذلك لتزويدهم بتفاصيل المشاركة بالمؤتمر.

Sincerely,

وتفضلوا بقبول فائق الاحترام ،،

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



Faisal Hamad Al Ayyar
Vice Chairman (Executive)

فيصل حمد العيار
نائب رئيس مجلس الإدارة (التنفيذي)

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هاتف:
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برج كيبكو
الشرق، مدينة الكويت
ص.ب. 23982 الصفاة
13100 الكويت

Commercial Registration No.: 23118

رقم السجل التجاري: 23118

رأس المال المصرح به، المصدّر والمدفوع: 200 مليون د.ك
Authorized, Issued and Paid up Capital: KD 200 million

Financial Results Form
Kuwaiti Company (KWD)

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

Financial Year Ended on

2020-12-31

نتائج السنة المالية المنتهية 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

2021-03-22

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 (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2019-12-31	2020-12-31	
117%	(39,350,000)	6,548,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
101%	(33.2)	0.4	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
(10%)	5,644,953,000	5,078,356,000	الموجودات المتداولة Current Assets
(0.5%)	10,400,289,000	10,350,374,000	إجمالي الموجودات Total Assets
(5%)	7,285,463,000	6,902,458,000	المطلوبات المتداولة Current Liabilities
1%	9,390,994,000	9,457,855,000	إجمالي المطلوبات Total Liabilities
(20%)	251,167,000	200,628,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
8%	698,168,000	752,630,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
104%	60,693,000	123,958,000	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 الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Fourth quarter Comparative Year	Fourth quarter Current	Statement
	2019-12-31	2020-12-31	
53%	(18,373,000)	(8,563,000)	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
47%	(12.1)	(6.4)	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
(1%)	186,817,000	185,686,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
78%	18,793,000	33,489,000	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 year ended 31/12/2020 over the same comparative year 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.	يعود سبب ارتفاع الأرباح للسنة المالية المنتهية في 2020/12/31 مقارنة بالسنة نفسها من العام 2019 بشكل رئيسي إلى الزيادة في إيرادات الاستثمار و النتائج الإيجابية لقطاع التأمين. وقد تأثر هذا الربح جزئيا بانخفاض أرباح شركات المجموعة العاملة في قطاعات البنوك، العقار، الصناعة و الاستثمار بسبب التداعيات السلبية لانتشار جائحة فيروس كورونا.
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
17,046,000	17,046,000
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
7,903,000	7,903,000

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)
النسبة	القيمة	
5% (5 فلس كويتي لكل سهم) (5 Kuwaiti Fils per share)	9,063,143 دينار كويتي	توزيعات نقدية Cash Dividends
-----	لا يوجد / None	توزيعات أسهم منحة Bonus Share
-----	لا يوجد / None	توزيعات أخرى Other Dividend
-----	-----	عدم توزيع أرباح No Dividends
-----	علاوة الإصدار Issue Premium	زيادة رأس المال Capital Increase
-----	لا يوجد / None	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
 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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kuwait Projects Company Holding K.S.C.P. (the "Parent Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the *IESBA Code*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Expected credit losses (ECL) on loans and advances

Loans and advances of the Group's commercial banking subsidiaries represent a significant part of the total assets. The implementation of IFRS 9: Financial Instruments (IFRS 9) significantly changed the approach to determine the provisions against financial assets and incorporated a more forward-looking approach to determine the recoverability of the financial assets. Recognition of ECL under IFRS 9, is a complex accounting policy, which requires considerable judgement in its application. ECL is dependent on management's judgement in assessing significant increase in credit risk on initial recognition and significant increase in credit risk subsequently at reporting date for classification of credit facilities into various stages, determining when a default has occurred, review of models for assessing the probability of default of customers and estimating cash flows from recovery procedures or realization of collateral.

Furthermore Covid-19 pandemic has significantly impacted management's determination of ECL. The assumptions regarding the economic outlook are more uncertain which, combined with the government's response (as it pertains to deferral programs and government stimulus package), increases the level of judgement required by the Group in calculating the ECL, and the associated audit risk.

Due to the significance of credit facilities, the related estimation uncertainty and judgements applied and the Group's exposure to loans and advances forming a major portion of the Group's assets, ECL for loans and advances is considered as a key audit matter.

As part of our audit of the commercial banking subsidiaries our audit procedures included:

- Gaining an understanding of the Group's key credit processes comprising granting, booking, monitoring and provisioning and testing the key controls over these processes;
- We obtained the understanding of the design and tested the relevant controls over ECL model, including model build and approval, ongoing monitoring / validation, model governance and arithmetical accuracy. We have also checked completeness and accuracy of the data used and the reasonableness of the management assumptions;
- We understood and assessed the significant modeling assumptions for exposures as well as overlays with a focus on:
 - Key modeling assumptions adopted by the Group; and
 - Basis for and data used to determine overlays.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Expected credit losses (ECL) on loans and advances (continued)

- We assessed:
 - the Group's IFRS 9 based impairment provisioning policy including significant increase in credit risk criteria with the requirements of IFRS 9;
 - the Group's ECL modelling techniques and methodology against the requirements of IFRS 9; and
 - the soundness of the Group's loan grading processes and mathematical integrity of the models.
- For a sample of exposures, we performed procedures to evaluate:
 - Appropriateness of exposure at default, probability of default and loss given default (including collateral values used) in the calculation of ECL;
 - We have checked appropriateness of the Group's staging criteria, exposure at Default ("EAD") Probability of Default ("PD") and Loss Given Default ("LGD") including the eligibility and value of collateral considered in the ECL models used by the Group and the overlays considered by the management in view of the ongoing Covid-19 pandemic, in order to determine ECL.
 - Timely identification of exposures with a significant increase in credit risk and appropriateness of the Group's staging; and
 - ECL calculation.
- For forward looking information used by the Group's management in its ECL calculations, we held discussions with management and checked internal approvals by management for the economic outlook post consideration of Covid-19 pandemic impact used for purposes of calculating ECL.

We further considered the adequacy of the disclosures in the consolidated financial statements in relation to impairment of loans and advances as required under IFRS 9. Refer to the critical accounting estimates, judgements and disclosures including Covid-19 pandemic of loans and advances in Note 2.6, 2.7 and 5 to the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Impairment testing of investment in associates

The Group has interests in number of associates which are significant to the Group's consolidated financial statements. The Group's carrying value of its investments in Qurain Petrochemical Industries Company K.S.C.P. ("QPIC"), Gulf Insurance Group K.S.C.P. ("GIG") and Advance Technology Company K.S.C.P. ("ATC") are significantly higher than the proportion of equity attributable to Group's ownership interest in these associates. The investment in associates are accounted for using the equity method of accounting and considered for impairment in case of indication of impairment. Significant management judgement is required in determining whether there are any indications of impairment and in estimating the recoverable amounts of the investment in associates based on the value in use, especially due to the ongoing Covid-19 pandemic. Accordingly, we considered this as a key audit matter.

We carried out procedures to understand management's process for identifying impairment triggers such as significant adverse changes in the technological, market, economic, or legal environment in which the investee operates, structural changes in the industry in which the investee operates, changes in the political or legal environment affecting the investee's business and changes in the investee's financial condition including the Impact of Covid-19 pandemic in the underlying associates. Our audit procedures included, amongst others, assessing the appropriateness of the recoverable amounts determined by management and the methods used.

We also assessed the adequacy of the Group's disclosure in Note 9 of the consolidated financial statements.

Impairment testing of goodwill and intangible assets

Impairment testing of goodwill and intangible assets performed by the management was significant to our audit because the assessment of the recoverable amount of goodwill and intangible assets under the value-in-use basis is complex and requires considerable judgment on the part of management. Estimates of future cash flows are based on management's views of variables such as the interest margins, discount rates, market share assumptions, projected growth rates and economic conditions such as the economic growth and expected inflation rates, which have been impacted by the Covid-19 pandemic. We considered this area to be as key audit matter.

- As part of our audit procedures, we assessed the knowledge and expertise of the management of the Group to perform such valuations and obtained management's impairment calculations and key assumptions, including profit forecasts and basis of selection of growth rates and discount rates

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Impairment testing of goodwill and intangible assets (continued)

- We involved our valuation experts to assist us in evaluating the appropriateness of the valuation model and testing key assumptions used in the impairment analysis, such as the discount rate and terminal growth rate, considering Covid-19 pandemic impact.
- We reviewed the sensitivity analysis performed by management around key assumptions noted above and the outcomes of the assessment. Future cash flow assumptions were also reviewed through comparison to current trading performance considering the historical consistency and the understanding of the reasons for growth profiles used, including consideration of the potential impacts of the Covid-19 pandemic.

Furthermore, we assessed the adequacy of the Group's disclosures included in Note 11 of the consolidated financial statements related to those assumptions. The Group's policy on impairment testing is disclosed in Note 2 of the consolidated financial statements.

Valuation of investment properties

Investment properties are significant to the Group's consolidated financial statements. The management determines the fair value of its investment properties and uses external appraisers to support the valuation. The valuation of the investment properties at fair value is highly dependent on estimates and assumptions, such as average net initial yield, reversionary yield, inflation rate, vacancy rates, growth in rental rates, market knowledge and historical transactions.

The external valuers have included a material valuation uncertainty clause in their valuation report. This clause highlights that less certainty, and consequently a higher degree of caution, should be associated to the valuation as a result of the Covid-19 pandemic. This represents a significant estimate uncertainty in relation to the valuation of investment properties.

Given the size, complexity and impact of ongoing Covid-19 pandemic on the valuation of investment properties and the importance of the disclosures relating to the assumptions used in the valuation, we considered this as a key audit matter.

Our audit procedures included, amongst others:

- We have considered the methodology and the appropriateness of the valuation models and inputs used to value the investment properties.
- We have tested the inputs and assumptions made by management of the Group and the appropriateness of the properties' related data supporting the external appraisers' valuations
- We performed procedures for areas of risk and estimation. This included, where relevant, comparison of judgments made to current market practices and challenging the valuations on a sample basis, particularly in light of Covid-19 pandemic.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Valuation of investment properties (continued)

- Further, we have considered the objectivity, independence and expertise of the external real estate appraisers.
- We further evaluated the management's sensitivity analysis to ascertain the impact of reasonably possible changes to key assumptions on the fair value of investment properties. We also assessed the adequacy of the disclosures relating to the assumptions and sensitivity of such assumptions in Note 10 of the consolidated financial statements highlighting the increased estimation and uncertainty as a result of Covid-19 pandemic.

Valuation of derivative financial instruments

The Group has significant derivative financial instruments, the valuation of which is determined through the application of valuation techniques, which often involve the exercise of judgement and the use of assumptions and estimates, especially due to the ongoing Covid-19 pandemic. Due to the significance of derivative financial instruments and the related estimation uncertainty, this was considered as a key audit matter.

Our audit procedures included, amongst others:

- Assessing the overall process related to derivative instruments including internal management policies and procedures
- We involved our valuation specialists to assist us in evaluation of the methodologies, inputs and assumptions used by the Group in determining the fair values of the derivative financial instruments.
- We challenged inputs used to externally available market data to assess whether appropriate assumptions were used in the valuation.
- We also compared valuations derived from our internal valuation model, for a sample of instruments, to the fair values determined by the Group.

Further we evaluated the adequacy of the Group's disclosures in Note 27 in the consolidated financial statements about the valuation basis and inputs used in the fair value measurement.

Accounting for business combination

During the year, as result of further contributions to capital calls and dispute resolution in the favour of the Group, by an arbitration panel, regarding ownership of certain shares, the Group's effective ownership interest in its joint venture, Panther Media Group Limited ("PMGL") increased from 60.5% to 87.6%. As a result and described in Notes 3 to the consolidated financial statements, the Group gained control and PMGL became a subsidiary. The Group also recorded a provisional Goodwill of KD 346,193 thousand on the step acquisition. The Group has one year to perform the purchase price allocation in accordance with IFRS 3.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Accounting for business combination (continued)

International Financial Reporting Standard (IFRS) 3 "Business Combinations" requires to identify and recognise assets and liabilities in the acquired net assets of PMGL at fair value. The standard also requires, in step acquisition, remeasurement of previously held equity interest at fair value and recognition of the resulting gain or loss. Accordingly, the management the Group remeasured its previously held equity interest in PMGL at the acquisition date and recognized a gain of KD 75,893 thousand in the consolidated income statement.

We focused on this area as a key audit matter due to the size of the acquisition and the judgement involved in accounting for the transaction.

Our focus was first on assessing whether the Group had acquired the appropriate control of the business to be treated as a subsidiary and secondly to assess management's determination of fair value for the previously held interest. We analysed the transaction and the acquisition of control and we discussed this with the management of the Group. To assess whether the accounting treatment complies with the requirements of IFRS 3, we reviewed relevant underlying documents relating to subscription of capital calls and the arbitration ruling. Our audit procedures included among others, carry out an assessment of the acquisition accounting, obtaining and reviewing managements valuation, with the assistance of our internal valuation experts, to validate that the methodologies and related underlying assumptions used by the Group for the estimation of the fair value of the Group's previously held interest PMGL in accordance with IFRS 3. We also considered the adequacy of the Group's disclosures in Note 3 about the acquisition of PMGL within the consolidated financial statements.

Other information included in the Group's 2020 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's 2020 Annual Report, other than the consolidated financial statements and our auditors' report thereon. We obtained the report of the Parent Company's Board of Directors prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
KUWAIT PROJECTS COMPANY HOLDING K.S.C.P. (continued)**

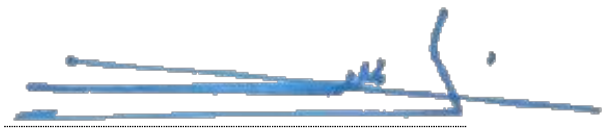
Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Parent Company and the consolidated financial statements, together with the contents of the report of the Parent Company's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no 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, have occurred during the year ended 31 December 2020, that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the year ended 31 December 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
LICENCE NO. 91 A
RSM ALBAZIE & CO.

22 March 2021
Kuwait

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		2020	(Restated) *
	Notes	KD 000's	2019 KD 000's
ASSETS			
Cash in hand and at banks	4	1,346,865	1,581,969
Treasury bills, bonds and other debt securities		500,770	546,271
Loans and advances	5	4,945,497	5,184,673
Financial assets at fair value through profit or loss	6	252,208	288,622
Financial assets at fair value through other comprehensive income	7	391,927	322,286
Other assets	8	818,524	583,188
Properties held for trading		118,353	102,092
Investment in associates	9	349,065	353,349
Investment in a media joint venture	3	-	125,049
Investment properties	10	624,258	630,394
Property, plant and equipment		396,442	364,464
Intangible assets	11	606,465	317,932
TOTAL ASSETS		10,350,374	10,400,289
LIABILITIES AND EQUITY			
Liabilities			
Due to banks and other financial institutions		1,271,941	1,425,361
Deposits from customers		5,160,158	5,268,742
Loans payable	13	744,113	704,979
Bonds	14	631,977	475,485
Medium term notes	15	601,257	752,413
Other liabilities	16	1,048,409	764,014
Total liabilities		9,457,855	9,390,994
Equity			
Share capital	17	200,000	200,000
Share premium	17	52,913	52,913
Treasury shares	17	(93,151)	(94,427)
Statutory reserve	17	106,821	106,821
Voluntary reserve	17	76,546	106,546
Cumulative changes in fair values		(19,287)	(9,819)
Foreign currency translation reserve		(131,138)	(114,986)
Employee stock option plan reserve	18	2,067	1,779
Other reserve		(21,398)	(14,644)
Retained earnings		27,255	16,984
Equity attributable to equity holders of the Parent Company		200,628	251,167
Perpetual capital securities	17	153,332	153,332
Non controlling interest		538,559	604,796
Total equity		892,519	1,009,295
TOTAL LIABILITIES AND EQUITY		10,350,374	10,400,289



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 reflect adjustments made as detailed in Note 2 and 3.

The attached notes 1 to 31 form part of these consolidated financial statements.

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

		2020	(Restated) *
	Notes	KD 000's	2019 KD 000's
Income:			
Interest income		328,398	408,533
Investment income	19	86,149	34,274
Fees and commission income	20	56,408	65,169
Share of results of associates		17,772	23,053
Share of results from a media joint venture		(6,101)	(68,002)
Media and digital satellite network services income		85,485	12,624
Hospitality and real estate income		101,346	120,635
Educational service income		27,163	28,513
Manufacturing and distribution income		9,837	24,660
Other income		33,302	39,756
Foreign exchange gain		12,871	8,953
		752,630	698,168
Expenses:			
Interest expense		230,488	289,360
Media and digital satellite network services expenses		99,131	8,318
Hospitality and real estate expenses		83,581	90,052
Educational service expense		15,240	16,515
Manufacturing and distribution expenses		8,369	22,099
General and administrative expenses	21	168,578	187,420
Depreciation and amortization		23,285	23,711
		628,672	637,475
Operating profit before provisions and Directors' remuneration		123,958	60,693
Provision for credit losses	5&26	(65,676)	(25,239)
Provision for impairment of non-financial assets	28	(46,283)	(6,644)
Board of Directors' remuneration	24	(220)	(220)
Profit before taxation		11,779	28,590
Taxation	22	(3,081)	(16,480)
Profit for the year		8,698	12,110
Profit (loss) attributable to:			
Equity holders of the Parent Company		6,548	(39,350)
Non-controlling interest		2,150	51,460
		8,698	12,110
		<i>Fils</i>	<i>Fils</i>
EARNINGS (LOSS) PER SHARE:			
Basic – attributable to equity holders of the Parent Company	23	0.4	(33.2)
Diluted – attributable to equity holders of the Parent Company	23	0.4	(33.2)

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

The attached notes 1 to 31 form part of these consolidated financial statements.