

التاريخ: 8 مايو 2022

السيد / محمد سعود العصيمي  
الرئيس التنفيذي  
شركة بورصة الكويت

تحية طيبة وبعد،

**الموضوع: افصاح عن معلومات جوهرية**

عملاً بأحكام الفصل الرابع من كتاب الإفصاح والشفافية من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 وتعديلاته الصادرة عن هيئة أسواق المال بتاريخ 2015/11/9 بخصوص الإفصاح عن المعلومات الجوهرية. نود أن نحيطكم علماً بأنه تم انعقاد اجتماع مجلس الإدارة لشركة الكويت للمشاريع الصناعية اليوم الأحد الموافق 8 مايو 2022 في تمام الساعة الواحدة ظهراً وتم اعتماد البيانات المالية المرحلية للفترة المالية المنتهية في 31 مارس 2022. مرفق طيه نموذج الإفصاح عن المعلومات الجوهرية

وتفضلوا بقبول فائق الاحترام،

  
فيصل يوسف مال الله

الرئيس التنفيذي



## نموذج الإفصاح عن المعلومات الجوهرية

	التاريخ
	اسم الشركة المدرجة
	المعلومة الجوهرية
	أثر المعلومة الجوهرية على المركز المالي للشركة

ينم ذكر الأثر على المركز المالي في حال كانت المعلومة الجوهرية قابلة لقياس ذلك الأثر، ويستثنى الأثر المالي الناتج عن المناقصات و الممارسات وما يشبهها من عقود.

إذا قامت شركة مدرجة من ضمن مجموعة بالإفصاح عن معلومة جوهرية تخصها ولها انعكاس مؤثر على باقي الشركات المدرجة من ضمن المجموعة، فإن واجب الإفصاح على باقي الشركات المدرجة ذات العلاقة يقتصر على ذكر المعلومة والأثر المالي المترتب على تلك الشركة بعينها.

Company Name	اسم الشركة
Al Kout Industrial Projects	شركة الكوت للمشاريع الصناعية

Select from the list	2022-03-31	اختر من القائمة
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Board of Directors Meeting Date	2022-05-08	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%)	فترة الثلاث اشهر المقارنة	فترة الثلاث اشهر الحالية	البيان
Change (%)	Three Month Comparative Period	Three Month Current Period	Statement
	2021-03-31	2022-03-31	
56%	1,329,429	2,068,805	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
56%	13.18	20.50	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
9%	17,761,979	19,435,779	الموجودات المتداولة Current Assets
7%	38,512,052	41,118,586	إجمالي الموجودات Total Assets
-10%	11,627,557	10,465,206	المطلوبات المتداولة Current Liabilities
-8%	13,720,724	12,566,726	إجمالي المطلوبات Total Liabilities
15%	24,791,328	28,551,860	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
13%	6,860,842	7,777,957	إجمالي الإيرادات التشغيلية Total Operating Revenue
33%	1,546,612	2,053,374	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
-	-	-	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الاول المقارن	الربع الاول الحالي	البيان
Change (%)	First Quarter Comparative Period	First Quarter Current Period	Statement
	2021-03-31	2022-03-31	
-	-	-	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-	-	-	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
-	-	-	إجمالي الإيرادات التشغيلية Total Operating Revenue
-	-	-	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 reason for the increase in profits is the improvement in sales, and prices of the products globally	سبب ارتفاع الأرباح هو تحسن المبيعات بالإضافة لارتفاع اسعار منتجات الشركة عالميا (للمبيعات الخارجية)

Total Revenue realized from dealing with related parties (value, KWD)	-	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
Total Expenditures incurred from dealing with related parties (value, KWD)	96,397	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)

Auditor Opinion			رأي مراقب الحسابات
1.	Unqualified Opinion	<input type="checkbox"/>	1. رأي غير متحفظ
2.	Qualified Opinion	<input checked="" type="checkbox"/>	2. رأي متحفظ
3.	Disclaimer of Opinion	<input type="checkbox"/>	3. عدم إبداء الرأي
4.	Adverse Opinion	<input type="checkbox"/>	4. رأي معاكس

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

تم إدراج استثمار المجموعة في شركة الدرة للخدمات البترولية ش.م.ك. (مقفلة)، وهي شركة زميلة تم المحاسبة عنها باستخدام طريقة حقوق الملكية، بقيمة 2,640,075 دينار كويتي في بيان المركز المالي المجمع كما في 31 مارس 2022، وتستند حصة المجموعة في ربح شركة زميلة بقيمة 7,169 دينار كويتي المدرجة ضمن بيان الأرباح أو الخسائر المجمع، حيث إن البيانات المالية المجمعة المدققة غير متوفرة فيما يتعلق بهذه الشركة الزميلة كما في تاريخ التصريح بإصدار البيانات المالية المجمعة للمجموعة. نتيجة لذلك، لم تتمكن من الحصول على أدلة كافية ومناسبة حول القيمة الدفترية لاستثمار المجموعة في الشركة الزميلة كما في 31 مارس 2022 وحصة المجموعة من الخسارة والإيرادات الشاملة الأخرى للسنة المنتهية بذلك التاريخ. وبالتالي، لم تتمكن من تحديد ما إذا كانت أي تعديلات على هذه المبالغ ضرورية	نص رأي مراقب الحسابات كما ورد في التقرير
قام مدقق الحسابات في ابداء تحفظه لسبب عدم اعتماد البيانات المالية للفترة المنتهية في 2022.03.31 للشركة الزميلة، وبذلك رأى مدقق حسابات شركتنا بضرورة التحفظ إلى ان يتم توفر البيانات المالية المعتمدة	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
تم التواصل مع إدارة الشركة الزميلة لتحديد جدول زمني وتسليم نسخة عن البيانات المالية المعتمدة من مراقب الحسابات للفترة اللاحقة	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
الجدول الزمني يعتمد على استجابة الشركة الزميلة بتقديم البيانات المالية المعتمدة ضمن الفترة الزمنية المسموحة ودون تأخير افصاح بيانات المالية في المدة المحددة	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

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
	علاوة الإصدار		
	Issue Premium		
-	-	تخفيض رأس المال	Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		الرئيس التنفيذي	فيصل يوسف مال الله

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

**31 March 2022**



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## **INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL KOUT INDUSTRIAL PROJECTS COMPANY K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Kout Industrial Projects Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2022, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month 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*

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*” A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Basis for Qualified Conclusion*

The Group’s investment in Al Dorra Petroleum Services Company K.S.C. (Closed), an associate accounted for using the equity method, is carried at KD 2,640,075 on the interim condensed consolidated statement of financial position as at 31 March 2022, and the Group’s share of results of an associate amounting KD 7,169 included in the interim condensed consolidated statement of profit or loss for the period then ended are based on the management accounts, as reviewed interim condensed consolidated financial information are not available in respect of this associate as at the authorisation date of the Group’s interim condensed consolidated financial information. As a result, we were unable to obtain sufficient appropriate evidence about the carrying amount of the Group’s investment in the associate as at 31 March 2022 and the Group’s share of results for the period then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

### *Qualified Conclusion*

Based on our review, except for the possible effects of the matter described in the “*Basis for Qualified Conclusion*” paragraph of our report, 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.



**INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL KOUT INDUSTRIAL PROJECTS COMPANY K.S.C.P. (continued)**

**Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, except for the possible effects of the matter described in the “*Basis for Qualified Conclusion*” paragraph above, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, except for the possible effects of the matter described in the “*Basis for Qualified Conclusion*” paragraph above, 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-month period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, except for the possible effects of the matter described in the “*Basis for Qualified Conclusion*” paragraph above, during the course of our review, to the best of our knowledge and belief, 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 three-month period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



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

8 May 2022  
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UNAUDITED)

For the period ended 31 March 2022

	Notes	Three months ended	
		31 March	
		2022	2021
		KD	KD
Revenue from contracts with customers	3	7,777,957	6,860,842
Cost of sales and services rendered		(4,895,514)	(4,551,417)
<b>GROSS PROFIT</b>		<b>2,882,443</b>	2,309,425
Commission income		32,381	9,069
Other income		10,969	17,899
General and administrative expenses		(674,693)	(684,683)
Other expenses		(173,222)	(125,889)
(Allowance for) reversal of provision for expected credit losses of trade receivables		(45,687)	36,704
Net foreign exchange differences		21,183	(15,913)
<b>OPERATING PROFIT</b>		<b>2,053,374</b>	1,546,612
Share of results of an associate		7,169	-
Changes in fair value of financial assets at fair value through profit or loss		147,002	(100,720)
Finance costs		(33,273)	(50,062)
<b>PROFIT BEFORE TAX AND DIRECTORS' REMUNERATION</b>		<b>2,174,272</b>	1,395,830
Contribution to Kuwait Foundation for Advancement of Sciences ("KFAS")		(21,814)	(13,958)
National Labour Support Tax ("NLST")		(54,446)	(33,531)
Zakat		(21,707)	(13,412)
Directors' remuneration		(7,500)	(5,500)
<b>PROFIT FOR THE PERIOD</b>		<b>2,068,805</b>	1,329,429
<b>BASIC AND DILUTED EARNINGS PER SHARE (EPS)</b>	4	<b>20.50 Fils</b>	13.18 Fils

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

Al Kout Industrial Projects Company K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)**  
For the period ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
<b>PROFIT FOR THE PERIOD</b>	<b>2,068,805</b>	1,329,429
<b>Other comprehensive income (loss)</b>		
<i>Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<b>18,357</b>	(1,318)
<b>Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods</b>	<b>18,357</b>	(1,318)
<b>Other comprehensive income (loss) for the period</b>	<b>18,357</b>	(1,318)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,087,162</b>	1,328,111

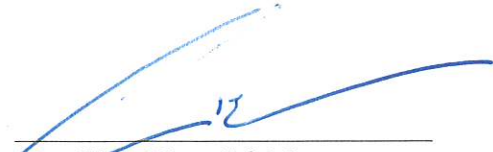
The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2022

	31 March 2022 KD	(Audited) 31 December 2021 KD	31 March 2021 KD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13,427,973	12,994,685	12,297,515
Right-of-use assets	677,357	548,990	515,156
Investment in an associate	2,640,075	2,632,906	3,000,000
Goodwill	4,937,402	4,937,402	4,937,402
	<u>21,682,807</u>	<u>21,113,983</u>	<u>20,750,073</u>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	862,118	715,116	883,185
Inventories	2,883,378	2,540,544	3,173,887
Trade receivables and contract assets	9,116,522	9,988,754	9,826,027
Prepayments and other receivables	3,197,319	2,586,105	1,658,799
Cash and bank balances	3,376,442	1,786,166	2,220,081
	<u>19,435,779</u>	<u>17,616,685</u>	<u>17,761,979</u>
<b>TOTAL ASSETS</b>	<u><u>41,118,586</u></u>	<u><u>38,730,668</u></u>	<u><u>38,512,052</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10,090,080	10,090,080	10,090,080
Statutory reserve	5,186,422	5,186,422	5,186,422
Voluntary reserve	5,148,415	5,148,415	5,148,415
Effect of changes in other comprehensive income of an associate	(2,562,823)	(2,562,823)	(2,609,842)
Foreign currency translation reserve	554,901	536,544	544,560
Retained earnings	10,134,865	8,066,060	6,431,693
<b>Total equity</b>	<u>28,551,860</u>	<u>26,464,698</u>	<u>24,791,328</u>
<b>Non-current liabilities</b>			
Employees' end of service benefits	1,847,191	1,843,611	1,821,719
Lease liabilities	254,329	382,701	271,448
	<u>2,101,520</u>	<u>2,226,312</u>	<u>2,093,167</u>
<b>Current liabilities</b>			
Trade payables, contract liabilities and other payables	4,738,836	5,173,589	4,884,898
Lease liabilities	447,728	214,466	270,398
Bank overdrafts	-	-	909,435
Loans and borrowings	5,278,642	4,651,603	5,562,826
	<u>10,465,206</u>	<u>10,039,658</u>	<u>11,627,557</u>
<b>Total liabilities</b>	<u>12,566,726</u>	<u>12,265,970</u>	<u>13,720,724</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>41,118,586</u></u>	<u><u>38,730,668</u></u>	<u><u>38,512,052</u></u>

  
Essa Khaled Essa Al-Saleh  
Chairman

  
Faisal Youssef Malallah  
Chief Executive Officer

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2022

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Effect of changes in other comprehensive income of an associate KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
<b>As at 1 January 2022</b>	<b>10,090,080</b>	<b>5,186,422</b>	<b>5,148,415</b>	<b>(2,562,823)</b>	<b>536,544</b>	<b>8,066,060</b>	<b>26,464,698</b>
Profit for the period	-	-	-	-	-	2,068,805	2,068,805
Other comprehensive income for the period	-	-	-	-	18,357	-	18,357
Total comprehensive income for the period	-	-	-	-	18,357	2,068,805	2,087,162
<b>At 31 March 2022</b>	<b>10,090,080</b>	<b>5,186,422</b>	<b>5,148,415</b>	<b>(2,562,823)</b>	<b>554,901</b>	<b>10,134,865</b>	<b>28,551,860</b>
As at 1 January 2021	10,090,080	5,186,422	5,148,415	(2,609,842)	545,878	5,102,264	23,463,217
Profit for the period	-	-	-	-	-	1,329,429	1,329,429
Other comprehensive loss for the period	-	-	-	-	(1,318)	-	(1,318)
Total comprehensive (loss) income for the period	-	-	-	-	(1,318)	1,329,429	1,328,111
At 31 March 2021	10,090,080	5,186,422	5,148,415	(2,609,842)	544,560	6,431,693	24,791,328

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>		
Profit before tax and directors' remuneration	2,174,272	1,395,830
<i>Adjustments to reconcile profit before tax and directors' remuneration to net cash flows:</i>		
Depreciation of property, plant, and equipment	558,130	636,539
Depreciation of right-of-use assets	73,570	75,379
Allowance for (reversal of) provision for expected credit losses of trade receivables	45,687	(36,704)
Share of results of an associate	(7,169)	-
Changes in fair value of financial assets at fair value through profit or loss	(147,002)	100,720
Provision for employees' end of service benefits	73,060	61,740
Interest on loans and borrowings	22,975	45,658
Interest on lease liabilities	10,298	4,404
	<b>2,803,821</b>	<b>2,283,566</b>
<i>Working capital changes:</i>		
Inventories	(342,834)	(92,595)
Trade receivables and contract assets	826,545	421,331
Prepayments and other receivables	(611,214)	(93,770)
Trade payables, contract liabilities and other payables	(540,220)	27,761
	<b>2,136,098</b>	<b>2,546,293</b>
Cash flows generated from operations	2,136,098	2,546,293
Employees' end of service benefits paid	(69,480)	(116,325)
	<b>2,066,618</b>	<b>2,429,968</b>
<b>Net cash flows from operating activities</b>		
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(981,778)	(413,593)
	<b>(981,778)</b>	<b>(413,593)</b>
<b>Net cash flows used in investing activities</b>		
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans and borrowings	2,450,000	-
Repayment of loans and borrowings	(1,822,961)	(284,561)
Finance costs paid	(22,975)	(45,658)
Payment of principal portion of lease liabilities	(107,345)	(81,982)
	<b>496,719</b>	<b>(412,201)</b>
<b>Net cash flows from (used in) financing activities</b>		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents as at 1 January	1,581,559	1,604,174
Net foreign exchange differences	1,786,166	(297,861)
	<b>8,717</b>	<b>4,333</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH</b>		
	<b>3,376,442</b>	<b>1,310,646</b>
<b>Non-cash items excluded from the interim condensed consolidated statement of cash flows:</b>		
Additions to lease liabilities	108,683	81,253
Additions to right-of-use assets	(108,683)	(81,253)
Remeasurement of lease liabilities	93,254	-
Remeasurement of right-of-use assets	(93,254)	-
	<b>-</b>	<b>-</b>

The attached notes 1 to 9 form part of this interim condensed consolidated financial information.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Kout Industrial Projects Company K.S.C.P. (the “Parent Company”) and its Subsidiaries (collectively, the “Group”) for the three months ended 31 March 2022 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 8 May 2022.

The consolidated financial statements of the Group for the year ended 31 December 2021 were approved in the annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 19 April 2022. Dividends declared and payable by the Group for the year then ended are provided in Note 9.

The Parent Company is a public shareholding company incorporated and domiciled in Kuwait and whose shares are publicly traded on Boursa Kuwait. The Parent Company head office is located in Hamra Tower, 18<sup>th</sup> Floor, Abdulaziz Al-Sager street, Sharq and its registered postal address is P.O. Box 10277, Shuaiba 65453, Kuwait.

The principal activities of the Parent Company are, as follows:

- ▶ Import, storage and distribution of cement and other bulk materials; establishing, operating and managing storage silos; acquiring interest in other companies engaged in similar activities and investing surplus funds through portfolio managers in shares of investment and real estate companies.
- ▶ Production of chlorine and salt, steel drums to fill soda solid and other petrochemical products (after approval of Public Authority for Industry).
- ▶ Transport Company’s products inside and outside the State of Kuwait according to Company’s objectives.
- ▶ Acquisition of industrial rights and related intellectual properties or any other industrial trademarks or drawings and any other rights thereto and renting thereof to other companies whether inside or outside Kuwait.
- ▶ Acquisition of movables and properties necessary for the Parent Company to practice its activities pursuant to the limits prescribed by law.
- ▶ Investing surplus funds in portfolios managed by specialised financial companies.

The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Parent Company achieve its objectives inside Kuwait and abroad. The Group may also purchase such entities or affiliate them.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The interim condensed consolidated financial information for the three months ended 31 March 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021.

The interim condensed consolidated financial information provides comparative information in respect of the previous period. Certain comparative information has been reclassified and represented to conform to classification in the current period. Such reclassification has been made to improve the quality of information presented.

#### 2.2 New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted and methods of computation followed in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES  
(continued)**

**2.2 New standards, interpretations, and amendments adopted by the Group (continued)**

**Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the interim condensed consolidated financial information as the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

**Reference to the Conceptual Framework – Amendments to IFRS 3**

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

**Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)**

**2.2 New standards, interpretations, and amendments adopted by the Group (continued)**

**IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

**IAS 41 Agriculture – Taxation in fair value measurements**

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

**3 REVENUE FROM CONTRACTS WITH CUSTOMERS**

**3.1 Disaggregated revenue information**

Set out below is the disaggregation of the Group's revenue from contracts with customers based on type of sales and services:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>
<b>Types of goods or services</b>		
Sale of Chlor Alkali	4,914,919	4,299,683
Sales of industrial materials	2,625,162	2,255,896
Blending of chemicals services	32,975	21,718
Construction of chlorine dioxide plant for groundwater reservoirs	191,628	268,615
Logistic services	13,273	14,930
<b>Total revenue from contracts with customers</b>	<b>7,777,957</b>	<b>6,860,842</b>
<b>Geographical markets</b>		
Kuwait	5,541,469	4,534,661
Other MENA	1,900,924	1,545,768
Asia	113,549	230,944
South America and North America	184,918	42,613
Others	37,097	506,856
<b>Total revenue from contracts with customers</b>	<b>7,777,957</b>	<b>6,860,842</b>
<b>Timing of revenue recognition</b>		
Goods and services transferred at a point in time	7,573,056	6,577,297
Goods and services transferred over time	204,901	283,545
<b>Total revenue from contracts with customers</b>	<b>7,777,957</b>	<b>6,860,842</b>

Al Kout Industrial Projects Company K.S.C.P. and its Subsidiaries  
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
 INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**3 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)**

**3.2 Contract balances**

	<i>31 March</i>	<i>(Audited)</i> <i>31 December</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Trade receivables	<b>9,116,522</b>	9,893,791	9,113,459
Contract assets	-	94,963	712,568
Contract liabilities	<b>164,384</b>	-	-

The significant increase in contract liabilities in 2022 was mainly due to the advances received from a sub-contractor during the period relating to a project in progress for which performance obligations are partially satisfied. Management expects that 4% of the transaction price allocated to unsatisfied performance obligations as of 31 March 2022 will be recognised as revenue by the end of the financial year. The amount disclosed above does not include variable consideration which is constrained.

**4 BASIC AND DILUTED EARNINGS PER SHARE (EPS)**

Basic EPS amounts are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i> <i>31 March</i>	
	<i>2022</i>	<i>2021</i>
Profit for the period (KD)	<b>2,068,805</b>	1,329,429
Weighted average number of shares outstanding during the period (shares)	<b>100,900,800</b>	100,900,800
<b>Basic and diluted EPS (Fils)</b>	<b>20.50</b>	13.18

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

**5 COMMITMENTS AND CONTINGENCIES**

**Capital commitments**

The Group has commitments in respect of future capital expenditure amounting to KD 469,437 (31 December 2021: KD 497,943 and 31 March 2021: KD 274,985) relating to ongoing projects under construction.

**Legal contingency**

During the prior year, the Ministry of Electricity and Water (MEW) in the State of Kuwait has decided to withdraw a certain contract, namely North Az-Zour Chlorine Dioxide Plant Project (“Contract”) for an alleged breach of terms and specifications set forth in the Contract and inability to implement the contractual obligations therein. The Parent Company requested MEW and the Central Tenders Committee to consider the revocation of termination and reinstatement of the Contract.

On 9 September 2021, the Parent Company filed a Burden of Proof (No. 904-2021) against MEW. On 17 October 2021, the Parent Company commenced a legal action against MEW to preserve its financial and legal rights. During the current period, the court referred the legal case to the experts’ department to verify the elements of the lawsuit and submit their findings accordingly. The preliminary hearing has been re-scheduled on 17 May 2022 and the discovery proceedings on the legal action are still in progress as at the authorisation date of the interim condensed consolidated financial information as at 31 March 2022.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

### 5 COMMITMENTS AND CONTINGENCIES (continued)

#### Legal contingency (continued)

The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in this interim condensed consolidated financial information of the Group as at 31 March 2022.

#### Other contingencies

At 31 March 2022, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 5,926,770 (31 December 2021: KD 6,809,425 and 31 March 2021: KD 6,851,825) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

### 6 RELATED PARTY DISCLOSURES

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Group's management.

There were no transactions other than those with key management personnel, entered into with related parties during the reporting period.

#### Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows.

	<i>Transaction values for the</i>		<i>Balance outstanding as at</i>		
	<i>Three months ended</i>		<i>(Audited)</i>		
	<i>31 March</i>		<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	<b>89,025</b>	63,683	<b>40,706</b>	32,990	20,959
Employees end of service benefits	<b>7,372</b>	6,110	<b>41,334</b>	33,962	15,887
	<b>96,397</b>	69,793	<b>82,040</b>	66,952	36,846

The Board of Directors at the meeting held on 16 March 2022 proposed directors' remuneration of KD 30,000 for the year ended 31 December 2021 (31 December 2020: KD 12,000). The remuneration was approved by the shareholders at the AGM held on 19 April 2022.

### 7 SEGMENT INFORMATION

For management's purposes, the Group's products and services are organised into the following operating segments. The principle activities and services under these segments are as follows:

- ▶ **Chlor Alkali:** Production and sale of chlor alkali products.
- ▶ **Petrochemical products:** Production and sale of petrochemical products.
- ▶ **Trading:** Distribution of industrial materials.
- ▶ **Logistics and Transport:** Logistic and transportation services provided by the Group.
- ▶ **Industrial projects:** Construction of chlorine dioxide plant for groundwater reservoirs.
- ▶ **Investments:** Group's investments in an associate, fair value through profit or loss and goodwill.

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

### 7 SEGMENT INFORMATION (continued)

#### a) Segment revenue and results

The following tables present revenue and profit information of the Group's operating segments for the three months ended 31 March 2022 and 2021, respectively:

	<i>Three months ended 31 March</i>		<i>Three months ended 31 March</i>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
	<i>Revenue</i>		<i>Results</i>	
Chlor Alkali	<b>5,000,917</b>	4,428,673	<b>2,578,559</b>	2,283,680
Petrochemical products	<b>32,975</b>	21,718	<b>27,894</b>	16,412
Trading	<b>2,875,086</b>	2,499,891	<b>678,526</b>	591,496
Logistics and transport	<b>423,520</b>	660,428	<b>3,388</b>	10,964
Industrial projects	<b>191,628</b>	268,615	<b>4,322</b>	52,371
Investments	-	-	<b>154,171</b>	(100,720)
Adjustments and eliminations	<b>(746,169)</b>	(1,018,483)	<b>(410,247)</b>	(645,498)
Consolidated	<b>7,777,957</b>	6,860,842	<b>3,036,613</b>	2,208,705
Commission income			<b>32,381</b>	9,069
Other income			<b>10,969</b>	17,899
Net foreign exchange differences			<b>21,183</b>	(15,913)
Finance costs			<b>(33,273)</b>	(50,062)
Other unallocated amounts			<b>(999,068)</b>	(840,269)
Profit for the period			<b>2,068,805</b>	1,329,429

	<i>Three months ended 31 March</i>		<i>Three months ended 31 March</i>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
	<i>Purchases of property, plant and equipment</i>		<i>Depreciation of property, plant, and equipment</i>	
Chlor Alkali	<b>954,233</b>	410,149	<b>501,648</b>	572,412
Petrochemical products	-	-	<b>873</b>	-
Trading	<b>27,545</b>	3,444	<b>5,742</b>	6,375
Logistics and transport	-	-	<b>49,867</b>	57,752
	<b>981,778</b>	413,593	<b>558,130</b>	636,539

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

### 7 SEGMENT INFORMATION (continued)

#### b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 31 March 2022, 31 December 2021 and 31 March 2021, respectively:

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
<b>Segment assets</b>			
Chlor Alkali	<b>31,811,877</b>	29,658,093	29,150,705
Petrochemical products	<b>22,338</b>	117,855	52,349
Trading	<b>5,285,274</b>	4,891,754	3,892,207
Logistics and transport	<b>496,904</b>	619,981	821,038
Industrial projects	<b>-</b>	94,963	712,568
Investments	<b>3,502,193</b>	3,348,022	3,883,185
<b>Total consolidated segment assets</b>	<b>41,118,586</b>	38,730,668	38,512,052

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
<b>Segment liabilities</b>			
Chlor Alkali	<b>10,242,317</b>	9,923,215	11,635,081
Petrochemical Products	<b>2,188</b>	85,529	2,578
Trading	<b>1,848,497</b>	1,830,106	1,701,983
Logistics and transport	<b>304,978</b>	422,758	376,720
Industrial projects	<b>164,384</b>	-	-
Other unallocated amounts	<b>4,362</b>	4,362	4,362
<b>Total consolidated segment liabilities</b>	<b>12,566,726</b>	12,265,970	13,720,724

#### c) Geographical segments

The geographical analysis of the Group's revenue from external customers has been based on the location of customers from which revenue is derived:

	<i>Three months ended</i> <i>31 March</i>	
	<i>2022</i> <i>KD</i>	<i>2021</i> <i>KD</i>
Kuwait	<b>6,201,640</b>	5,424,154
Other MENA	<b>1,986,922</b>	1,674,758
Asia	<b>113,549</b>	230,944
South America and North America	<b>184,918</b>	42,613
Others	<b>37,097</b>	506,856
Adjustments and eliminations	<b>(746,169)</b>	(1,018,483)
<b>Total consolidated segment revenue</b>	<b>7,777,957</b>	6,860,842

## 8 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability; or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

### *Fair value hierarchy*

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the interim condensed consolidated financial information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

### **Valuation methods and assumptions**

The following methods and assumptions were used to estimate the fair values:

#### *Listed investment in equity securities*

Fair values of publicly traded equity securities are based on quoted market prices in an active market for identical assets without any adjustments. The Group classifies the fair value of these investments as Level 1 of the hierarchy.

#### *Other financial assets and liabilities*

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates.

## 9 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors in their meeting held on 16 March 2022, proposed a cash dividend of 40% (2020: 20%) of the paid-up share capital (40 fils per share aggregating to KD 4,036,032) for the year ended 31 December 2021 (2020: 20 fils per share aggregating to KD 2,018,016).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**9 DISTRIBUTIONS MADE AND PROPOSED (continued)**

Subsequent to the reporting period, the proposed dividend for the year ended 31 December 2021 were approved by the shareholders of the Parent Company at the annual general meeting (AGM) held on 19 April 2022 and are not recognised as a liability as at 31 March 2022.

Dividends payable as at 31 March 2022 amounted to KD 4,362 (31 December 2021: KD 4,362 and 31 March 2021: KD 4,362) and recorded within "Trade payables, contract liabilities and other payables" in the interim condensed consolidated statement of financial position.