



REF. **1009/2020** الإشارة

**Kuwait** 15 AUG 2020 **الكويت**

**Messrs. Kuwait Boursa Company** *Esq.*

*Greetings,*

**Subject: Disclosure of impact of the events arising from the Novel Coronavirus Outbreak on the Financial Statements**

With reference to the above subject, and in implementation of Capital Markets Authority Circular No. 7 of 2020, we enclose herewith the disclosure of impact of the events arising from the Novel Coronavirus Outbreak on the Financial Statements for Kuwait Cement Company as of 30 June 2020.

*Please accept utmost respect,,,*

*(The Original Signed in Arabic Version)*

***Dr. Abdullaziz Rashed Al-Rashed***

### Vice-Chairman

Off-site Supervision Department  
Supervision sector

**"Disclosure of impact of the events arising from the  
Novel Coronavirus Outbreak on the Financial Statements" form**

| No. | First: The impact of Novel Coronavirus on the Company's financial position |                                                                                                                                                                               |
|-----|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Impact on real estate assets, regardless of their classification           | N/A                                                                                                                                                                           |
| 2   | Impact on investments at fair value through profit or loss                 | N/A                                                                                                                                                                           |
| 3   | Impact on investments at fair value through other comprehensive income     | Unrealized losses on investments at fair value through other comprehensive income amounting to KD 16,641,856 were recorded in equity during the period ended on 30 June 2020. |
| 4   | Impact on investments carried at amortized cost                            | N/A                                                                                                                                                                           |
| 5   | Impact on associates and joint ventures                                    | N/A                                                                                                                                                                           |
| 6   | Impact on debit balances                                                   | During the period ended on 30 June 2020, an additional provision was recorded for expected credit losses amounting to KD 3,216,009 in line with the requirements of IFRS 9.   |
| 7   | Impact on loans and credit balances                                        | Instalment loan has been postponed amounting to KD 8,891,893 as of 30 June 2020                                                                                               |
| 8   | Impact on inventory                                                        | N/A                                                                                                                                                                           |
| 9   | Impact on goodwill and intangible assets                                   | N/A                                                                                                                                                                           |
| 10  | Any other significant impact on the statement of financial position        | Impairment losses were recorded in the value of property, plant and equipment amounting to KD 8,143,627 during the period ended on 30 June 2020.                              |

Off-site Supervision Department  
Supervision sector

| م | Second: The impact of novel Coronavirus on the Company's main activities (revenues and expenses), including the effect of government incentives |                                                                                                                                                                                                                                                                                                         |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Impact on revenue                                                                                                                               | The Group's revenues decreased by KD 25,919,358 compared to the six months ended on 30 June 2019.                                                                                                                                                                                                       |
| 2 | Impact on expenses                                                                                                                              | <ul style="list-style-type: none"> <li>• Expenses and general and administrative expenses were rationalized by 28% during the period ending 30 June 2020.</li> <li>• The group has donated KD 250,000 as part of its social responsibility for the fund of combating the spread of Covid-19.</li> </ul> |

Third: The impact of novel coronavirus on the Company's ability to continue as a going concern

The current expectations indicate that the Group has sufficient resources to continue in its operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019

Fourth: Steps taken by the Company to contain economic effects resulting from the Novel Coronavirus outbreak

To reduce the economic effects of the outbreak of novel Coronavirus, the Group has taken a package of measures, the most important of which are:

- 1- Maintaining liquidity through cash flow management.
- 2- Rationalization of expenses and expenditures.
- 3- Follow the Ministry of Health instructions to maintain the safety of customers and employees.