

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

Interim Condensed Consolidated Financial Information (Unaudited)
And review report for the three month period ended 31 March 2022



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State of Kuwait**

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**Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors,
Cap Corp Investment Company K.S.C. (Closed)
State of Kuwait**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Cap Corp Investment Company K.S.C. (Closed) (the "Parent Company") and its subsidiary (together referred to as the "Group") as at 31 March 2022, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three month period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. Our responsibility is to express a conclusion on interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of the Parent Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, nothing has come to our attention indicating any material violations during the three month period ended 31 March 2022, of the Companies' Law No. 1 of 2016, and its Executive Regulations, as amended, or of the Parent's Company's Memorandum of Incorporation and Articles of Association, as amended, or of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulations, or of Law No. 7 of 2010 concerning establishment of Capital Markets Authority and organization of securities activity and its Executive Regulations, that would materially affect the Parent Company's activity or its financial position.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners

Kuwait: 26 April 2022

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

**Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 31 March 2022**

		31 March 2022	31 December 2021 (Audited)	31 March 2021
	Notes	KD	KD	KD
Assets				
Cash and cash equivalents	3	3,424,429	3,927,742	3,936,009
Investments at fair value through profit or loss	4	4,942,541	3,973,297	3,245,544
Wakala investment deposit		-	116,276	115,192
Other debit balances		175,191	214,009	176,373
Right-of-use assets		130,597	143,235	181,149
Investments at fair value through other comprehensive income	5	7,652,174	7,575,167	8,600,092
Property and equipment		13,066	14,408	14,614
Total assets		<u>16,337,998</u>	<u>15,964,134</u>	<u>16,268,973</u>
Liabilities and equity				
Liabilities				
Other credit balances		155,745	156,951	110,789
Lease liabilities		137,118	148,850	186,149
Provision for employees' end of service indemnity		255,615	244,403	261,086
Total liabilities		<u>548,478</u>	<u>550,204</u>	<u>558,024</u>
Equity				
Share capital		20,000,000	20,000,000	20,000,000
Statutory reserve		104,304	104,304	104,304
Fair value reserve of investments at fair value through other comprehensive income		(160,481)	(237,488)	379,924
Foreign currency translation reserve		3,254	3,254	3,254
Accumulated losses		(4,157,557)	(4,456,140)	(4,776,533)
Total equity		<u>15,789,520</u>	<u>15,413,930</u>	<u>15,710,949</u>
Total liabilities and equity		<u>16,337,998</u>	<u>15,964,134</u>	<u>16,268,973</u>

The accompanying notes from pages 7 to 12 form an integral part of the interim condensed consolidated financial information.

Malik M. A. Marafie
Chairman



Zeyad T. A. AlMukhaizeem
Vice Chairman and CEO

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)
For the three month period ended 31 March 2022

	Three months ended 31 March	
	2022	2021
	KD	KD
Revenues		
Wakala investment deposits revenues	11,699	8,047
Unrealized profit from investments at fair value through profit or loss	314,457	144,318
Profit from sale of investments at fair value through profit or loss	180,907	63,299
Fees and commissions	10,055	14,959
Other revenues	11	18
Total revenues	<u>517,129</u>	<u>230,641</u>
Expenses and other charges		
Depreciation of right-of-use assets	(12,638)	(12,638)
Finance charges for lease liabilities	(2,425)	(2,425)
General and administrative expenses	(200,354)	(203,865)
Total expenses and other charges	<u>(215,417)</u>	<u>(218,928)</u>
Net profit for the period before zakat	301,712	11,713
Zakat	<u>(3,129)</u>	<u>(219)</u>
Net profit for the period	<u>298,583</u>	<u>11,494</u>
Basic earnings per share (Note 7)	<u>1.49</u>	<u>0.06</u>

The accompanying notes from pages 7 to 12 form an integral part of the interim condensed consolidated financial information.

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

**Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive
Income (Unaudited)**

For the three month period ended 31 March 2022

	Three months ended 31 March	
	2022	2021
	KD	KD
Net profit for the period	298,583	11,494
Other comprehensive income		
<i>Items that will not be reclassified subsequently in the interim condensed consolidated statement of profit or loss:</i>		
Change in investments at fair value through other comprehensive income	77,007	145,455
Total other comprehensive income for the period	77,007	145,455
Total comprehensive income for the period	375,590	156,949

The accompanying notes from pages 7 to 12 form an integral part of the interim condensed consolidated financial information.

Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the three month period ended 31 March 2022

	Share capital KD	Statutory reserve KD	Fair value reserve of investments at fair value through other comprehensive income KD	Foreign currency translation reserve KD	Accumulated losses KD	Total equity KD
Balance as at 1 January 2021	20,000,000	104,304	234,469	3,254	(4,638,601)	15,703,426
Net profit for the period	-	-	-	-	11,494	11,494
Other comprehensive income for the period	-	-	145,455	-	-	145,455
Total comprehensive income for the period	-	-	145,455	-	11,494	156,949
Transferred to accumulated losses from investments at fair value through other comprehensive income	-	-	-	-	(149,426)	(149,426)
Balance as at 31 March 2021	20,000,000	104,304	379,924	3,254	(4,776,533)	15,710,949
Balance as at 1 January 2022	20,000,000	104,304	(237,488)	3,254	(4,456,140)	15,413,930
Net profit for the period	-	-	-	-	298,583	298,583
Other comprehensive income for the period	-	-	77,007	-	-	77,007
Total comprehensive income for the period	-	-	77,007	-	298,583	375,590
Balance as at 31 March 2022	20,000,000	104,304	(160,481)	3,254	(4,157,557)	15,789,520

The accompanying notes from pages 7 to 12 form an integral part of the interim condensed consolidated financial information.

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

For the three month period ended 31 March 2022

	31 March 2022	31 March 2021
	KD	KD
Operating activities		
Net profit for the period	298,583	11,494
<i>Adjustment for:</i>		
Depreciation	1,654	3,143
Depreciation of right-of-use assets	12,638	12,638
Finance charges for lease liabilities	2,425	2,425
Unrealized profit from investments at fair value through profit or loss	(314,457)	(144,318)
Wakala investment deposits revenues	(11,699)	(8,047)
Provision for employees' end of service indemnity	11,212	10,219
Net profit / (loss) before working capital changes	356	(112,446)
<i>Change in working capital:</i>		
Investments at fair value through profit or loss	(654,787)	(452,521)
Other debit balances	38,818	65,651
Other credit balances	(1,206)	28,693
<i>Net cash used in operating activities</i>	<u>(616,819)</u>	<u>(470,623)</u>
Investing activities		
Purchase of property and equipment	(312)	(450)
Wakala investment deposits	127,975	10,792
Investments at fair value through other comprehensive income	-	(109,790)
<i>Net cash generated from / (used in) investing activities</i>	<u>127,663</u>	<u>(99,448)</u>
Financing activities		
Paid for lease liabilities	(14,157)	(14,157)
<i>Net cash used in financing activities</i>	<u>(14,157)</u>	<u>(14,157)</u>
Net decrease in cash and cash equivalents	(503,313)	(584,228)
Cash and cash equivalents at beginning of the period	3,927,742	4,520,237
Cash and cash equivalents at end of the period (Note 3)	<u>3,424,429</u>	<u>3,936,009</u>

The accompanying notes from pages 7 to 12 form an integral part of the interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the three month period ended 31 March 2022

1. General Information

Cap Corp Investment Company K.S.C. (Closed) (the "Parent Company") was incorporated under Memorandum of Incorporation No. 3182, Vol. 1 on 22 April 2008. The Company has been finally declared to be incorporated in the Parent Company's constituent assembly meeting dated 28 April 2008. The Company is organized by the Central Bank of Kuwait and Capital Markets Authority.

The activities of the Parent Company are carried out in accordance with the Islamic Sharia principles. The principal activities of the Parent Company are:

- a) Investment in real estate, industrial, agricultural, and other sectors of economy by participating in incorporation of specialized companies, or acquiring shares and Sukuk of such companies in the different sectors.
- b) Management of private and public entities' funds and investment thereof in different economic sectors including management of financial and real estate portfolios.
- c) Rendering and preparing technical, economic and valuation studies and consultancies, studying investment-related projects and preparing studies necessary for institutions and companies.
- d) Brokerage in finance operations.
- e) Performing the functions of issue managers for sukuk issued by companies, bodies, and other legal public or private entities, as well as the functions of investment trustees.
- f) Carrying out financing and brokerage business in international trade transactions.
- g) Granting finance to others in the different sectors, while observing the principles of financial safety when granting finance, and maintaining the permanent safety of the financial position of the Parent Company.
- h) Dealing and trading in foreign exchange and precious metals market inside and outside Kuwait for the benefit of the Parent Company only.
- i) Performing transactions of stocks exchange such as sale, purchase of shares and sukuk for local, governmental, and international companies and bodies.
- j) Providing all services that assist in development and support of the financial and monetary market capacity in Kuwait, and meeting its needs.
- k) Mobilising resources for finance leasing, and arranging for group finance leasing, especially for SMEs, but it may not accept deposits.
- l) Investing its funds in the different investment fields approved by the Central Bank of Kuwait, mainly through finance leasing as this requires holding and leasing of fixed and movable assets, but this does not include financing purchase of consumer goods.
- m) Acquisition of industrial property rights, patents, trademarks and industrial marks, trade logos, literary and intellectual rights of programs and publications, use and lease thereof to other parties.
- n) Establishment of investment funds for the interest of the Parent Company or of third party; placing its units to subscription; performance the functions of investment trustee or investment manager for leasing investment funds, locally and abroad, in accordance with laws and resolutions in effect in the state.
- o) investment controller
- p) Management of financial portfolios, and investment and development of funds in leasing operations for own or third party interest as per laws and resolutions applicable in the country.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2022

1. General Information (Continued)

The Parent Company carries out the above activities directly in the State of Kuwait and abroad, for itself or through agency. The Parent Company may have interest or participate in entities with similar activities or that may help the Company achieving its objectives inside Kuwait or abroad. The Company may also establish, participate in, or purchase these entities or affiliate them. This is to be implemented in accordance with the Islamic Shari'a provisions.

The address of the Parent Company's registered office is P.O. Box, 994, Safat 13010, State of Kuwait.

The interim condensed consolidated financial information for the three month period ended 31 March 2022 were authorized for issue by the Parent Company's Board of Directors on 26 April 2022.

2. Basis of preparation

This interim condensed consolidated financial information is prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting" and CBK instructions.

This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as modified for use by the State of Kuwait for financial services institutions regulated by the CBK. Whereas the Group has applied IFRS 9 "Financial instruments", it continued to apply requirements of CBK concerning the minimum limit for the general provision i.e. 1% for cash facilities and 0.5% for non-cash facilities. The Group's management approved these percentages within the simplified methodology in calculating the expected credit loss. These rates are applied on the net increase in facilities, net of certain restricted categories of collateral, during the reporting period of the interim condensed consolidated financial information.

Operating results for the three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2021.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company. The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Group.

The accounting policies and calculation methods used in preparation of the interim condensed consolidated financial information for this interim financial period are consistent with those used in preparation of the consolidated financial statements for the year ended 31 December 2021. Certain adjustments are effective from 1 January 2022 but do not have a material effect on the Group's interim condensed consolidated financial information.

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the three month period ended 31 March 2022

3. Cash and cash equivalents

	31 March 2022	31 December 2021 (Audited)	31 March 2021
	KD	KD	KD
Cash on hand	500	500	500
Cash at Kuwait Clearing Company	63,184	4,590	33,229
Cash at banks	238,820	916,045	894,805
Wakala investment deposits	3,121,925	3,006,607	3,007,475
	<u>3,424,429</u>	<u>3,927,742</u>	<u>3,936,009</u>

Wakala investment deposits mature during 90 days or less as from the assessment date and bear an expected yield rate of 1.625% (31 December 2021: 1.517%, 31 March 2021: 1.6%) per annum.

4. Investments at fair value through profit or loss

	31 March 2022	31 December 2021 (Audited)	31 March 2021
	KD	KD	KD
Investment in quoted local shares	4,165,145	3,738,385	3,029,549
Local managed funds	777,396	234,912	215,995
	<u>4,942,541</u>	<u>3,973,297</u>	<u>3,245,544</u>

The fair value of the local managed funds is determined according to investment unit value based on the Fund Managers' reports.

5. Investments at fair value through other comprehensive income

	31 March 2022	31 December 2021 (Audited)	31 March 2021
	KD	KD	KD
Investment in unquoted foreign shares	3,359,943	3,327,644	3,618,591
Investment in unquoted local shares	3,347,677	3,347,677	3,463,272
Investment in a local portfolio	59,907	59,907	159,803
Investment in a foreign portfolio	278,942	298,973	861,023
Local managed fund	605,705	540,966	497,403
	<u>7,652,174</u>	<u>7,575,167</u>	<u>8,600,092</u>

The fair value of the local managed fund is determined according to investment unit value based on the Fund Manager's report.

6. Related party transactions

Related parties represent major shareholders, directors and executive officers, their families and entities controlled, jointly controlled or significantly influenced by such parties.

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2022

6. Related party transactions (Continued)

Pricing policies and terms of these transactions are approved by the Group's management. Related party balances and transactions are as follows:

	31 March 2021	31 December 2020 (Audited)	31 March 2020
	KD	KD	KD
Interim condensed consolidated statement of financial position:			
Other debit balances - staff receivables	22,500	24,375	26,251
Other debit balances - due from foreign investment	124,078	124,078	124,078
Investments at fair value through other comprehensive income - Investments managed by a related party	3,359,943	3,327,644	3,618,591
		Three month period ended 31 March 2022	Three months ended 31 March 2021
		KD	KD
Interim condensed consolidated statement of profit or loss:			
Senior management benefits and salaries		73,350	74,048

7. Basic earnings per share

Earnings per share are computed by dividing net profit for the period by the weighted average number of ordinary shares determined based on number of outstanding shares of issued share capital during the period.

	Three months ended 31 March	
	2022	2021
Net profit for the period (KD)	298,583	11,494
Weighted average number of outstanding shares during the period (share)	200,000,000	200,000,000
Basic earnings per share (fils)	1.49	0.06

8. Fiduciary assets

Investment portfolios and funds managed by the Parent Company and assets held in trust or in a fiduciary capacity and related liabilities are not treated as the Parent Company's assets or liabilities and accordingly are not included in this interim condensed consolidated financial information. Fiduciary assets as at the date of the interim condensed consolidated statement of financial position were KD 34,413,187 (31 December 2021: KD 33,663,495 and 31 March 2021: KD 45,506,710).

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2022

9. General Assembly of the Parent Company's Shareholders

Until the date of this interim condensed consolidated financial information for the period ended 31 March 2022, the Ordinary General Assembly of the Parent Company's Shareholders has not been held to approve the consolidated financial statements for the year ended 31 December 2021.

On 3 November 2021, the Parent Company's general assembly of shareholders approved the consolidated financial statements for the year ended 31 December 2020 and not to distribute dividends for such financial year.

10. Fair value measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical financial assets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

The level within which the financial assets are classified is determined based on the lowest level of significant inputs to the fair value measurement.

The financial assets measured at fair value in the condensed consolidated statement of financial position are classified under the fair value hierarchy as follows:

31 March 2022	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
<i>Investments at fair value through statement of profit or loss</i>				
Quoted equities	4,165,145	-	-	4,165,145
Local managed funds	-	777,396	-	777,396
<i>Investments at fair value through statement of other comprehensive income</i>				
Local managed fund	-	605,705	-	605,705
Unquoted equity	-	-	7,046,469	7,046,469
Total	4,165,145	1,383,101	7,046,469	12,594,715

**Cap Corp Investment Company K.S.C. (Closed) and its subsidiary
State of Kuwait**

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2022

10. Fair value measurement (Continued)

31 December 2021	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
<i>Investments at fair value through statement of profit or loss</i>				
Quoted equities	3,738,385	-	-	3,738,385
Local managed fund	-	234,912	-	234,912
<i>Investments at fair value through statement of other comprehensive income</i>				
Local managed fund	-	540,966	-	540,966
Unquoted equities	-	-	7,034,201	7,034,201
Total	3,738,385	775,878	7,034,201	11,548,464
31 March 2021	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
<i>Investments at fair value through statement of profit or loss</i>				
Quoted equities	3,029,549	-	-	3,029,549
Local managed fund	-	215,995	-	215,995
<i>Investments at fair value through statement of other comprehensive income</i>				
Local managed fund	-	497,403	-	497,403
Unquoted equities	-	-	8,102,689	8,102,689
Total	3,029,549	713,398	8,102,689	11,845,636