

شركة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع.
Gulf Cable & Electrical Industries Co. K.S.C.P

cables that pulse with life

Ref: GC/AD/ 334/ 21 : الإشارة

Date : 29 MAR 2021

التاريخ :

M/S.: Boursa Kuwait Company

Greeting,

Subject: Results of Board of Directors meeting held on 29/03/2021

With reference to the above subject, we are pleased to inform you that the Board of Directors held its meeting on 29/03/2021 at 1:00 pm where the consolidated financial statements of the year ended 31/12/2020 have been discussed and approved.

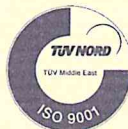
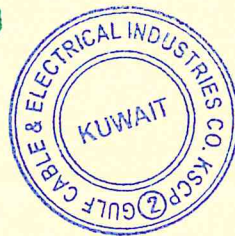
Please find enclosed the financial statements form for the year ended 31/12/2020 along with auditor report.

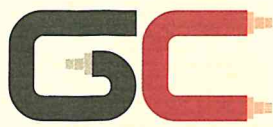
Pursuant to the requirements of Boursa Kuwait rule book issued under resolution (1) 2018 and since Gulf Cable Co. has been classified within the "Premier Market", Gulf Cable Co. is glad to announce that the analyst conference will be conducted on Monday 05 April 2021 at 1:00 PM local time through a conference call.

The Interested parties could communicate with GC. Via Email (investor.relations@gulfcable.com) to obtain the invitation and other details

Best regards

Bader Naser Al-Kharafi
Chairman





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**Financial Results Form
Kuwaiti Company (KWD)**

**نموذج نتائج البيانات المالية
الشركات الكويتية (د.ك.)**

Financial Year Ended on

2020-12-31

نتائج السنة المالية المنتهية في

Company Name

اسم الشركة

Gulf Cable & Electrical Industries Co. (K.S.C.P)

شركة الخليج للكابلات والصناعات الكهربائية (ش.م.ك.ع.)

Board of Directors Meeting Date

تاريخ اجتماع مجلس الإدارة

2021-03-29

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	
31.61%	4,232,942	5,571,085	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
35.00%	20 Fils فلس	27 Fils فلس	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
26.97%	77,059,225	97,840,852	الموجودات المتداولة Current Assets
4.30%	194,420,158	202,776,779	إجمالي الموجودات Total Assets
(18.86%)	15,464,416	12,547,406	المطلوبات المتداولة Current Liabilities
(14.60%)	19,293,260	16,476,592	إجمالي المطلوبات Total Liabilities
6.40%	174,675,376	185,858,389	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
9.88%	72,130,338	79,254,111	إجمالي الإيرادات التشغيلية Total Operating Revenue
35.15%	4,763,986	6,438,383	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
—	لا توجد خسائر متراكمة No Accumulated Losses	لا توجد خسائر متراكمة No Accumulated Losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital





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التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Fourth quarter Comparative Year	Fourth quarter Current Year	Statement
	2019-12-31	2020-12-31	
152.72%	(158,306)	83,454	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
150.00%	0.8) Fils فلس	0.4 Fils فلس	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
(15.14%)	22,093,598	18,748,277	إجمالي الإيرادات التشغيلية Total Operating Revenue
930.01%	50,103	516,065	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 as compared to same period of prior year due to increase in sales and gross profit.	يعزى الارتفاع في صافي الربح مقارنة مع نفس الفترة من العام السابق إلى زيادة المبيعات وارتفاع مجمل الربح.
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KWD 142,227	142,227 د.ك.
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KWD 265,203	265,203 د.ك.





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Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)
النسبة	القيمة	
50%	50 فلس للسهم الواحد 50 Fils per share	توزيعات نقدية Cash Dividends
لا يوجد NIL	لا يوجد NIL	توزيعات أسهم منحة Bonus Share
لا يوجد NIL	لا يوجد NIL	توزيعات أخرى Other Dividend
—	—	عدم توزيع أرباح No Dividends
—	لا يوجد NIL	زيادة رأس المال Capital Increase
—	لا يوجد NIL	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
There are no concerns or a qualified opinion were raised by the Auditor	لا يوجد أي ملاحظات أو تحفظات أبدتها مراقب الحسابات

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة Chairman	بدر ناصر الخرافي Bader Naser Al-Kharafi

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

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



Independent auditor's report

To the Shareholders of
Gulf Cable and Electrical Industries Company – KPSC
Kuwait

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gulf Cable and Electrical Industries Company - KPSC ("the Parent Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of 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 (IFRSs).

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' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 year. 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. We have determined the matters described below as the key audit matters.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer. The Group recognizes revenue when it transfers control of a product or service to a customer. The Group follows a five step process to recognize revenue as disclosed in the accounting policy related to revenue recognition (note 4.6). This is an area of audit focus as management assumptions are required to apply the revenue recognition criteria to each separately identifiable component of revenue. This can result in circumstances which require careful consideration to determine how revenue should be recognized.

Our audit procedures included testing the operating effectiveness of associated internal controls and performing substantive audit procedures.

We performed analytical reviews and reviewed management accounts to identify any material new revenue streams. Our testing procedures included reviewing customer contracts, checking delivery records and price lists, and checking that the recognition criteria of IFRS were met. We also assessed the adequacy of the Group's disclosures of its revenue recognition policy, the judgements involved and other related disclosures.

Revenue by segment is disclosed in Note 26.

Independent Auditor's Report to the Shareholders of Gulf Cable and Electrical Industries Company – KPSC (continued)

Inventories and cost of inventories

Inventories represent a significant part of the Group's total assets which comprise raw materials, finished goods, work in progress and spare parts. Recognition of the value of inventories is subject to global price fluctuations, particularly those associated with copper prices and, consequently, prices of finished goods. This may lead to potential assumptions on full recoverability of the value of those inventories.

Our audit procedures included testing of the Group's internal controls over the movement of the incoming and outgoing inventories and the period end balances; agreeing the cost of inventories on a sample basis with the relevant documents such as purchase invoices; considering and testing the calculation of the other overhead costs absorbed into inventory; reviewing the relationship between the carrying value of inventory and the cost of production during the period in which the inventory was produced. We also considered the provisioning levels recorded in the light of net sales values actually achieved at the year end and those that will likely be achieved later and comparing that with the quoted prices of materials. We also considered the appropriateness of disclosures in relation to inventories in the consolidated financial statements.

The Group's disclosures about its inventories are included in Note 13.

Trade accounts receivable

The Group has significant trade accounts receivable with customers and given the nature of the Group's customers, the risk of those customer insolvency remains significant.

Our audit procedures included testing the Group's internal control procedures over the receivables' collection processes, and testing the adequacy of the Group's provisions against trade receivables by challenging the relevant assumptions and factors used to measure the expected credit losses, taking account of our own knowledge of recent collections experience in this industry and also historical data from the Group's previous collections experience. We have also considered the adequacy of the Group's disclosures in this area.

The Group's disclosures about its trade accounts receivable are included in Note 14.

Valuation of unquoted investments at fair value through other comprehensive income

The Group's investments in unquoted investments at fair value through other comprehensive income represent a significant part of the Group's total assets. Due to their unique structure and terms, the valuation of these instruments is based either on external independent valuations or on entity-developed internal models and not on quoted prices in active markets. Therefore, there is significant measurement uncertainty involved in those valuations. As a result, the valuation of those instruments was significant to our audit. We have, therefore, spent significant audit efforts in assessing the appropriateness of the valuations and underlying assumptions.

Our audit procedures included agreeing carrying value of the unquoted investments to the Group's internal or external valuations prepared using valuation techniques, assessing and challenging the appropriateness of estimates, assumptions and valuation methodology and obtained supporting documentation and explanations to corroborate the valuations.

The Group's disclosures about its investments at fair value through other comprehensive income are included in Note 12.

Other information included in the Group's Annual Report for the year ended 31 December 2020

Management is responsible for the other information. Other information consists of the information included in the Group's annual Report for the year ended 31 December 2020, other than the consolidated financial statements and our auditor's report thereon. We obtained the report of the Parent Company's Board of Directors, prior to the date of our auditor's report, and we expect to obtain the remaining sections of the Annual Report after the date of our auditor's report.

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

Independent Auditor's Report to the Shareholders of Gulf Cable and Electrical Industries Company – KPSC (continued)

Other information included in the Group's Annual Report for the year ended 31 December 2020 (continued)

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, 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.

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 skepticism 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.
- 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.

Independent Auditor's Report to the Shareholders of Gulf Cable and Electrical Industries Company – KPSC (continued)

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

- 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.

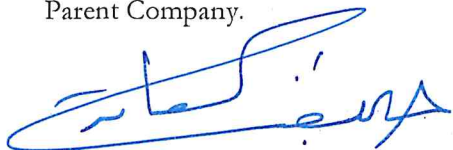
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 auditor's 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.

Report on Other Legal and Regulatory Requirements

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 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, the Executive Regulations, 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 or financial position of the Parent Company.


We further report that, to the best of our knowledge and belief, no violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority ("CMA") and its relevant regulations have occurred during the year ended 31 December 2020 that might have had a material effect on the business or financial position of the Parent Company.

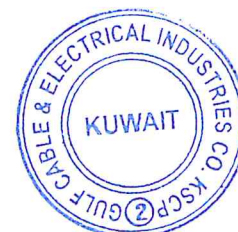


Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Consolidated statement of financial position

	Notes	31 Dec. 2020 KD	31 Dec. 2019 KD
Assets			
Non-current assets			
Property, plant and equipment	10	7,160,670	7,680,430
Investment in associate	11	1,103,929	1,064,351
Investments at fair value through other comprehensive income	12	96,671,328	108,616,152
		104,935,927	117,360,933
Current assets			
Inventories	13	41,319,685	34,422,188
Trade accounts receivable	14	29,606,122	17,078,319
Other receivables and prepayments	15	657,532	1,091,297
Cash and bank balances	16	26,257,513	24,467,421
		97,840,852	77,059,225
Total assets		202,776,779	194,420,158
Equity and liabilities			
Equity			
Share capital	17	20,993,131	20,993,131
Share premium	17	29,160,075	29,160,075
Treasury shares	18	(454,480)	-
Treasury shares reserve		77,888	-
Statutory reserve	19	20,993,131	20,993,131
Voluntary reserve	19	20,993,131	20,993,131
General reserve	19	26,754,192	26,109,322
Other components of equity	20	47,904,074	43,560,477
Retained earnings		19,437,247	12,866,109
Total equity attributable to the owners of the Parent Company		185,858,389	174,675,376
Non-controlling interests	6	441,798	451,522
Total equity		186,300,187	175,126,898
Non-current liabilities			
Provision for employees' end of service benefits		3,929,186	3,828,844
Current liabilities			
Trade accounts payable		1,702,884	2,242,276
Other payables and accruals	21	7,179,352	5,964,659
Short term loans	22	3,646,476	3,657,450
Ijara finance payable	23	-	130,000
Murabaha payables	24	-	3,469,106
Due to banks	16	18,694	925
		12,547,406	15,464,416
Total liabilities		16,476,592	19,293,260
Total equity and liabilities		202,776,779	194,420,158


Bader Naser Al-Kharafi
Chairman



The notes set out on pages 11 to 52 form an integral part of these consolidated financial statements.



Consolidated statement of profit or loss

	Notes	Year ended 31 Dec. 2020 KD	Year ended 31 Dec. 2019 KD
Revenue			
Sales		76,148,034	67,717,318
Cost of sales		(67,390,625)	(62,234,900)
Gross profit		8,757,409	5,482,418
Investment income	8	3,066,499	4,396,943
Share of results of associate	11	39,578	16,077
Interest income		6,005	11,479
Gain/(loss) on sale/disposal of property, plant and equipment	10	898	(47,533)
Other income		122,710	39,901
Foreign currency exchange gain		342,653	358,038
		12,335,752	10,257,323
Expenses and other charges			
General and administrative expenses		(3,701,465)	(3,728,369)
Commercial expenses		(1,576,008)	(1,852,484)
(Provision for)/reversal of provision for doubtful debts - net	14,27	(365,912)	469,313
Reversal of provision for obsolete and slow moving inventories - net	13	143,095	487,794
Impairment in value of property, plant and equipment		-	(378,087)
Finance costs		(397,079)	(491,504)
		(5,897,369)	(5,493,337)
Profit before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST), Zakat and Board of Directors' remuneration		6,438,383	4,763,986
Provision for contribution to KFAS		(64,091)	(47,660)
Provision for NLST		(359,938)	(139,267)
Provision for Zakat		(143,580)	(52,254)
Provision for directors' remuneration		(310,000)	(310,000)
Profit for the year	7	5,560,774	4,214,805
Profit/(loss) for the year attributable to:			
Owners of the Parent Company		5,571,085	4,232,942
Non-controlling interests		(10,311)	(18,137)
Profit for the year		5,560,774	4,214,805
Basic and diluted earnings per share attributable to the owners of the Parent Company	9	27 Fils	20 Fils



The notes set out on pages 11 to 52 form an integral part of these consolidated financial statements.