

Date: 05/03/2020
Ref: UPAC/COM/2020/008

To: Bursa Kuwait,

السادة/ بورصة الكويت للأوراق المالية المحترمين،

تحية طيبة وبعد،

الموضوع: الإفصاح عن معلومة جوهرية بشأن إحدى الشركات التابعة
لشركة المشاريع المتحدة للخدمات الجوية ش.م.ك.ع

Subject: disclosure of material information regarding a subsidiary of
United Projects for Aviation Services Company KSCP

Pursuant to the provisions of module ten - عملاً بأحكام الكتاب العاشر - الإفصاح والشفافية - من اللائحة
Disclosure and Transparency - of the Executive التنفيذية للقانون رقم 7 لسنة 2010 وتعديلاتهما، تفيد شركة
Regulations of Law No. 7 for year 2010 and their المشاريع المتحدة للخدمات الجوية ش.م.ك.ع. عن معلومة
amendments, United Projects for Aviation Services جوهرية بشأن إحدى شركاتها التابعة - شركة رويال أفيشن كويت
Company KSCP would like to announce the material ش.م.ك.م - وذلك وفق ما هو وارد بنموذج الإفصاح المرفق.
information regarding one of its subsidiaries - Royal
Aviation Kuwait KSCP - in accordance with the
attached disclosure form.

وتفضلوا بقبول فائق الاحترام والتقدير،



نادية عقيل
نائب رئيس مجلس الإدارة والرئيس التنفيذي
Nadia Akil
Vice Chairperson and CEO

Disclosure of Material Information Form

Date	05 March 2020
Name of the Listed Company	United Projects for Aviation Services Company KSCP
Material Information	<p>United Projects for Aviation Services Company KSCP (the "Company") would like to report on one of its Subsidiaries, Royal Aviation Kuwait KSCC (the "Subsidiary"), in which it holds an equity interest of 66.57%, and which manages the Sheikh Saad Terminal (the "Project") under a Build Operate Transfer (BOT) contract with the Directorate General of Civil Aviation ("DGCA") until 27th June 2024.</p> <p>The DGCA has expressed their unwillingness to renew the current contract for an additional duration beyond 27th June 2020 given the ongoing construction works for the new Kuwait Airport Terminal-2 which will be carried out in the said area and hence disrupt the current Project operations.</p> <p>The Subsidiary is currently in discussions with the DGCA on possible alternative plans to potentially continue to operate part/s of the Project components for a possible duration beyond the above.</p>
Significant Effect of the material information on the financial position of the Company	<p>The impact of the above non-renewal of contract is expected to be reflected in the Company's consolidated financial statements as follows:</p> <p>The reassessment of the useful life of the Project given the above new information, leading to a reduction in the Project's life from 16 to 12 years. This change reflects the expected pattern in consumption of the Project's future economic benefits.</p> <p>Accordingly, this change will be applied prospectively on the financial information for year 2019 by way of an increase in the existing amortization expense by approximately KD 1.1 million. Furthermore, the results of the ongoing discussions with DGCA will determine any other implications that may be reflected on the financial information for year 2020. Once these discussions are finalized, the Company will disclose the appropriate information.</p>


Nadia Akil

Vice Chairperson and CEO