Al Salam Group Holding Company K.P.S.C. and its subsidiaries
State of Kuwait

Interim condensed consolidated financial information (Unaudited)
and review report for the nine months period ended 30 September 2021

Contents

	Page
Report on review of interim condensed consolidated financial information	1 - 2
Interim condensed consolidated statement of financial position (Unaudited)	3
Interim condensed consolidated statement of profit or loss (Unaudited)	4
Interim condensed consolidated statement of comprehensive income (Unaudited)	5
Interim condensed consolidated statement of changes in equity (Unaudited)	6
Interim condensed consolidated statement of cash flows (Unaudited)	7
Notes to the interim condensed consolidated financial information (Unaudited)	8 – 17

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Report on review of interim condensed consolidated financial information

The Board of Directors
Al Salam Group Holding Company K.P.S.C.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Salam Group Holding Company K.P.S.C. ("the Parent Company") and its subsidiaries (collectively "the Group") as at 30 September 2021 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months period then ended. The management of the Group is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this 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 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 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

(1) The Group did not account for the financial impact of contingent liabilities and lawsuits, relating to Capital Markets Authority's decision on 1 April 2021 cancelling subscription to increase capital of one of Group's investee companies which the group invested through a subsidiary company in the amount of KD 7,537,532 and included in interim condensed consolidated financial information as investment in associate (notes 3, 4, 15). The Group management believes that lawsuits have been filed with respect to this issue by management of the associate company to challenge these decisions and final judgement has not been issued as at date of these interim condensed consolidated financial information. As a result, the financial impact of any adjustments on associate company books or Group's share of the associate company (Jiyad Holding Company K.P.S.C.) has not been recorded.

(2) The Group's investment in some of the associates in the amount of KD 15,492,589 were consolidated based on reviewed interim condensed consolidated financial information as at 30 June 2021 and management accounts for the period ended 30 June 2021.

Qualified conclusion

Based on our review, except for the effects of matters described in the basis of qualified conclusion on the interim condensed consolidated financial information, 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, *Interim Financial Reporting*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to notes (4 &15) of the interim condensed consolidated financial information regarding the obligation of one of the associate companies of the group (India Holding Company K.S.C (Holding)) to return an amount of KD 5,250,000 and an amount of KD 1,948,026 to Capital Markets Authority as a result of the Authority's decision issued on 1 April 2021. Furthermore, a potential dispute may arise as a result of this decision. As per Group management, the associate company filed lawsuits to challenge these decisions. A ruling has not been issued as at date of these interim condensed consolidated financial information.

Independent Member
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Other Matter

The consolidated financial statements of Al Salam Group Holding Company K.P.S.C. for the year ended 31 December 2020 were audited by another auditor who expressed a qualified opinion and emphasis of matter on such consolidated financial statements on 29 April 2021.

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting records of the Parent Company. We further report that nothing has come to our attention indicating any contravention during the nine months period ended 30 September 2021, of the Companies Law No. 1 of 2016, and its Executive Regulations, as amended, or of the provisions of Law No. 7 of year 2010 concerning the Capital Markets Authority, its Executive Regulations and its related regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, that would materially affect the Group's activities or its interim condensed consolidated financial position.

Barrak Abdul Mohsen Al-Ateeqi
Licence No. 69 "A"
Al-Ateeqi Certified Accountants
Member firm of B.K.R. International

Kuwait: 14 November 2021

Independent Member
BKR INTERNATIONAL

Al Salam Group Holding Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of financial position (Unaudited)
As at 30 September 2021

	Notes	30 September 2021 KD	31 December 2020 (Audited) KD	30 September 2020 KD
Assets				
Property and equipment		**1,558,621**	1,695,771	1,756,522
Intangible assets		**997,263**	997,263	3,364,665
Investment in associates	4	**20,427,993**	20,906,385	23,520,595
Financial assets at fair value through other comprehensive income	5	**13,728**	432,029	503,778
Inventories		**29,197**	29,197	29,577
Receivables and other debit balances	6	**5,268,626**	4,712,512	7,593,977
Financial assets at fair value through profit or loss	7	**83,962**	75,905	63,361
Cash and cash equivalents		**11,592**	72,570	46,776
Total assets		**28,390,982**	28,921,632	36,879,251
Equity and liabilities				
Equity				
Share capital		**26,964,000**	26,964,000	26,964,000
Share premium		**5,904,559**	5,904,559	5,904,559
Statutory reserve		**833,543**	833,543	833,543
Voluntary Reserve		**17,978**	17,978	17,978
Cumulative changes in fair value		**(42,674)**	(460,977)	(401,620)
Group's share in associates' reserves		**(22,022)**	10,088	140,433
Gain on sale of treasury shares		**730,372**	730,372	730,372
Accumulated losses		**(11,005,016)**	(9,812,474)	(3,360,034)
Equity attributable to shareholders of the Parent Company		**23,380,740**	24,187,089	30,829,231
Non – controlling interests		**1,480,113**	1,687,255	2,789,601
Total equity		**24,860,853**	25,874,344	33,618,832
Liabilities				
Provision for end of service indemnity		**144,384**	131,768	143,979
Payable and other credit balances	8	**3,385,745**	2,915,520	3,116,440
Total liabilities		**3,530,129**	3,047,288	3,260,419
Total equity and liabilities		**28,390,982**	28,921,632	36,879,251

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Nawaf Faisal AlHammadi
Chairman

Al Salam Group Holding Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of profit or loss (Unaudited)
For the nine months period ended 30 September 2021

	Notes	For the three months period ended 30 September		For the nine months period ended 30 September	
		2021	2020	2021	2020
		KD	KD	KD	KD
(Loss) / gain of investments	9	(945)	6,528	8,023	(7,717)
Net revenues / (losses) of contracts		1,073	(205,576)	(171,573)	98,616
Group's share in associates' results	4	(83,920)	(47,308)	(445,515)	(164,344)
Other income		-	120,437	5,741	148,821
General and administrative expenses		(129,005)	(158,656)	(506,343)	(466,993)
Net loss for the period		(212,797)	(284,575)	(1,109,667)	(391,617)
Attributable to:					
Shareholders of the Parent Company		(181,820)	(190,757)	(902,525)	(354,860)
Non – controlling interests		(30,977)	(93,818)	(207,142)	(36,757)
		(212,797)	(284,575)	(1,109,667)	(391,617)
Loss per share attributable to the shareholders of the Parent Company (fils)	10	(0.67)	(0.71)	(3.35)	(1.32)

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Al Salam Group Holding Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of comprehensive income (Unaudited)
For the nine months period ended 30 September 2021

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2021	2020	2021	2020
	KD	KD	KD	KD
Net loss for the period	(212,797)	(284,575)	(1,109,667)	(391,617)
Other comprehensive (loss) / income items:				
Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Cumulative changes in fair value	(139,434)	36,252	-	(5,577)
Items that will be reclassified subsequently to the interim condensed consolidated statement of profit or loss:				
Group's share in associates' reserves	(1,429)	(44,081)	(32,110)	38,067
Other comprehensive (loss) / income for the period	(140,863)	(7,829)	(32,110)	32,490
Total comprehensive loss for the period	(353,660)	(292,404)	(1,141,777)	(359,127)
Attributable to:				
Shareholders of the Parent Company	(322,683)	(198,586)	(934,635)	(322,370)
Non-controlling interests	(30,977)	(93,818)	(207,142)	(36,757)
	(353,660)	(292,404)	(1,141,777)	(359,127)

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Al Salam Group Holding Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of equity (Unaudited)
For the nine months period ended 30 September 2021

	Equity attributable to shareholders of the Parent Company										
	Share capital	Share premium	Statutory reserve	Voluntary reserve	Cumulative changes in fair value	Group's share in associate reserves	Gains on sale of treasury shares	Accumulated losses	Total	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
Balance at 1 January 2020	26,964,000	5,904,559	833,543	17,978	(396,043)	102,366	730,372	(3,005,174)	31,151,601	2,826,358	33,977,959
Net loss for the period	-	-	-	-	-	-	-	(354,860)	(354,860)	(36,757)	(391,617)
Other comprehensive (loss) / income for the period	-	-	-	-	(5,577)	38,067	-	-	32,490	-	32,490
Total comprehensive (loss) / income for the period	-	-	-	-	(5,577)	38,067	-	(354,860)	(322,370)	(36,757)	(359,127)
Balance at 30 September 2020	26,964,000	5,904,559	833,543	17,978	(401,620)	140,433	730,372	(3,360,034)	30,829,231	2,789,601	33,618,832
Balance at 1 January 2021	26,964,000	5,904,559	833,543	17,978	(460,977)	10,088	730,372	(9,812,474)	24,187,089	1,687,255	25,874,344
Net loss for the period	-	-	-	-	-	-	-	(902,525)	(902,525)	(207,142)	(1,109,667)
Other comprehensive loss for the period	-	-	-	-	-	(32,110)	-	-	(32,110)	-	(32,110)
Total comprehensive loss for the period	-	-	-	-	-	(32,110)	-	(902,525)	(934,635)	(207,142)	(1,141,777)
Realised loss on the sale of financial assets at fair value through other comprehensive income	-	-	-	-	418,303	-	-	(290,017)	128,286	-	128,286
Balance at 30 September 2021	**26,964,000**	**5,904,559**	**833,543**	**17,978**	**(42,674)**	**(22,022)**	**730,372**	**(11,005,016)**	**23,380,740**	**1,480,113**	**24,860,853**

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Al Salam Group Holding Company K.P.S.C. and its subsidiaries
State of Kuwait
Interim condensed consolidated statement of cash flows (Unaudited)
For the nine months period ended 30 September 2021

	Notes	For the nine months period ended 30 September 2021	2020
		KD	KD
Cash flows from operating activities			
Net loss for the period		**(1,109,667)**	(391,617)
Adjustments for:			
Unrealised (gain) / loss on financial assets at fair value through profit or loss	9	**(8,073)**	7,717
Realised loss on financial assets at fair value through profit or loss	9	**50**	-
Gain on disposal of property and equipment		**-**	(62,693)
Depreciation of property and equipment		**140,650**	185,246
Group's share in associates' results	4	**445,515**	164,344
Adjustment on investment in associate	4	**767**	-
Provision of end of service indemnity		**33,429**	15,337
Operating loss before changes in working capital		**(497,329)**	(81,666)
Inventories		**-**	(17,068)
Receivable and other debit balances		**(556,115)**	810,331
Payable and other credit balances		**470,225**	(772,418)
End of service indemnity paid		**(20,813)**	(12,063)
Net cash used in operating activities		**(604,032)**	(72,884)
Cash flows from investing activities			
Purchase of property and equipment		**(3,500)**	(660)
Purchase of financial assets at fair value through profit or loss		**(34)**	-
Proceeds from the sale of financial assets at fair value through other comprehensive income		**546,588**	-
Proceeds from sale of property and equipment		**-**	81,028
Net cash from investing activities		**543,054**	80,368
(Decrease) / increase in cash and cash equivalents		**(60,978)**	7,484
Cash and cash equivalents at beginning of the period		**72,570**	39,292
Cash and cash equivalent at the end of the period		**11,592**	46,776

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

1. Incorporation and activities

Al Salam Group Holding Company K.P.S.C. (the Parent Company) was incorporated on 9 November 1997. The Parent Company operates in accordance with Noble Islamic Shariaa principles.

The main activities of the Parent Company are:

1. Owning shares in Kuwaiti or Foreign shareholding or limited liability companies, or participating in establishing these companies and managing and lending them and providing guarantees on their behalf to others.
2. Lending the companies in which it owns shares and providing guarantees on behalf of those companies to others, providing that the holding Company's ownership percentage in the share capital of the borrowed Company must be at least 20%.
3. Owning industrial equity of patents, industrial trademarks, industrial fees or any other rights related to that and renting them to other companies to utilize them inside Kuwait or abroad.
4. Owning the necessary movables and properties to carry out its activity in accordance with the Law.

The "Parent Company" may have an interest in, or may participate in any form with the institutions that have a similar business or that will assist it to achieve its objectives inside or outside Kuwait. Also it may establish or participate in or acquire these institutions or join them.

The Company practices all its activities according to Islamic Sharia Laws.

The Parent Company's registered office is at Al-Sharq, Block 5, Building 4, Behbehani Real Estate Company, Floor 16, Office 11.

The interim condensed consolidated financial information for the nine months period ended 30 September 2021 was authorized for issue by Board of Directors of the Parent Company on 14 November 2021.

2. Basis of preparation

The interim condensed consolidated financial information is prepared in accordance with IAS 34 *"Interim Financial Reporting"*. The interim condensed consolidated financial information does not include all of the information and footnotes required for complete financial statements prepared in accordance with International Financial Reporting Standards. For further information, refer to the consolidated financial statements and notes thereto for the year ended 31 December 2020. In the opinion of the management all adjustments (consisting of recurring accruals) have been included in the interim condensed consolidated financial information.

The operating results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the year ending 31 December 2021.

The interim condensed consolidated financial information have been presented in Kuwaiti Dinars, which is the functional currency of the Group.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020. Certain amendments and interpretations apply for the first time on 1 January 2021, but do not have an impact on the interim condensed consolidated financial information of the Group.

New standards, interpretations and amendments adopted by the Group

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

These amendments had no impact on the interim condensed consolidated financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

3. Basis of consolidation

This interim condensed consolidated financial information for the nine months period ended 30 September 2021 includes the Parent Company and all its subsidiaries. All subsidiaries' accounts were consolidated based on management accounts for the nine months period ended 30 September 2021. Management believes that no adjustments will be required to the subsidiaries' management accounts which may be material to the interim condensed consolidated financial information taken as a whole.

Details of principal operating subsidiaries are as follows:

	Country of Incorporation	*Percentage of ownership interest (%)*			*Primary Activity*
		30 September 2021	31 December 2020 (Audited)	30 September 2020	
Direct					
Al Salam Capital General Trading Company W.L.L.	Kuwait	**100**	-	-	General Trading
Indirect					
Al Dosr International for General Trading and Contracting Company W.L.L. and its subsidiaries	Kuwait	**99**	99	99	General Trading and Contracting
Atlantic Group for General Trading and Contracting Company W.L.L.	Kuwait	**99**	99	99	General Trading and Contracting
* Alqeyam Al Kuwaitiya General Trading and Contracting Company W.L.L. (Formerly International Reflection for General Trading and Contracting Company W.L.L.)	Kuwait	**100**	100	100	General Trading and Contracting
Bail Al-Amaal Holding Company K.S.C. (Holding)	Kuwait	**51.2**	51.2	51.2	Investment
Al Sary National for General Trading and Contracting Company W.L.L.	Kuwait	**99**	99	99	General Trading and Contracting
International Service Group Company for Building Cleaning and Contracting W.L.L.	Kuwait	**98**	98	98	General Trading and Contracting

During the period, the Parent Company has established a new company Al Salam Capital General Trading Company W.L.L. with a share capital of KD 10,000,000 wholly owned by 100% of which 50% is registered in the name of the company directly and 50% is registered in the name of a related party, and there is a written waiver in process of being authenticated in favor of the Parent Company. The financial information of this company has been consolidated 100% since the Parent Company has control over financial and operating policies. The financial information of this company has been consolidated based financial information prepared by management as at 30 September 2021.

* On 1 April 2021, the Disciplinary Board of the Capital Markets Authority issued a decision regarding the recorded violation against Jiyad Holding Company K.P.S.C. "the associate company", where the decision included canceling the subscription to the shares of the capital increase of an associate (Jiyad Holding Company K.P.S.C.) carried out during the previous years by a subsidiary Alqeyam Al Kuwaitiya General Trading and Contracting Company W.L.L. (Formerly International Reflection for General Trading and Contracting Company W.L.L.). The number of shares subscribed were 71,985,593 shares having book value of KD 7,537,532 and a market value of KD 4,103,167 as at 30 September 2021.

As at date of issuance of these interim condensed consolidated financial information, we were unable to assess the financial effect of these decisions on the Group financial information.

Certain shares relating to some subsidiaries are registered in the names of others who keep them as custodian owners on behalf of the Group. Waiver letters based on power of attorneys and written undertakings were obtained from custodian owners for the Group's benefit.

4. Investments in associates

Details of the associate companies are as follows:

Name of associates	*Percentage of ownership interest (%)*					
	30 September 2021	31 December 2020 (Audited)	30 September 2020	30 September 2021	31 December 2020 (Audited)	30 September 2020
				KD	KD	KD
India Holding Company K.S.C. (Holding)	**39.31**	39.31	39.31	**7,955,057**	7,956,161	9,406,144
* Jiyad Holding Company K.P.S.C.	**20.56**	20.56	20.56	**7,537,532**	7,860,384	8,033,148
Gulf Petroleum Investment Company K.P.S.C.	**15.06**	15.06	15.06	**4,935,404**	5,089,840	6,081,303
				20,427,993	20,906,385	23,520,595

A reconciliation of the above summarized financial information to the carrying amount of the associates is set out below:

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Opening balance	**20,906,385**	23,646,872	23,646,872
Group's share of associates results	**(445,515)**	(1,193,171)	(164,344)
Group's share of associates reserves	**(32,110)**	(92,278)	38,067
Adjustment	**(767)**	-	-
Impairment in goodwill	**-**	(1,455,038)	-
Closing balance	**20,427,993**	20,906,385	23,520,595

* On 1 April 2021, the Disciplinary Board of the Capital Markets Authority issued a decision regarding the recorded violation against Jiyad Holding Company K.P.S.C. "the associate company", relating to canceling the subscription to the shares of the capital increase of the associate (Company Jiyad Holding K.P.S.C.) which was carried out during the previous year by a subsidiary (Reflection International Company for General Trading and Contracting W.L.L). Where the number of shares subscribed were 71,985,593 shares having book value of KD 7,537,532 and a market value of KD 4,103,167 as at 30 September 2021. Furthermore, the decision obliged India Holding Company K.S.C (Holding) the "Associate Company", in cooperation with the CEO of Jiyad Holding Company K.P.S.C., the "Associate Company", to refund to the Authority an amount of KD 5,250,000 and an amount of KD 1,948,026 representing the value of funds subject to the violation.

As at the date of issuance of these interim condensed consolidated financial information and as per Group management opinion, it is not possible to assess the financial impact resulting from above decisions by Capital Markets Authority concerning the associates, specially since the associate companies filed legal case to challenge these decisions.

The financial information of Gulf Petroleum Investment Company K.P.S.C. is based on reviewed interim condensed consolidated financial information for the period ended 30 September 2021, Jiyad Holding Company K.P.S.C. is based on reviewed interim condensed consolidated financial information for the period ended 30 June 2021 and India Holding Company K.S.C. (Holding) is based on management accounts for the period ended 30 June 2021.

5. Financial assets at fair value through other comprehensive income

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Local quoted shares	-	418,301	412,723
Local unquoted shares	13,728	13,728	91,055
	13,728	432,029	503,778

The movements of financial assets at fair value through other comprehensive income during the period / year are as follows:

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Balance at beginning of the period / year	432,029	1,649,643	1,649,643
Change in fair value	-	(77,326)	(5,577)
Disposals	(418,301)	(1,140,288)	(1,140,288)
Balance at end of the period / year	13,728	432,029	503,778

The financial assets at fair value through other comprehensive income have been evaluated in accordance with evaluation technique methods that disclosed in (note 12).

6. Receivable and other debit balances

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Trade receivable	2,360,361	2,522,772	2,636,026
Advance payments for purchase of investments	194,028	194,028	194,028
Provision for expected credit losses	(1,482,016)	(1,482,016)	(427,253)
	1,072,373	1,234,784	2,402,801
* Due from related parties (note 11)	3,686,926	3,080,058	3,309,315
Provision for expected credit losses	(1,411,476)	(1,411,476)	-
	3,347,823	2,903,366	5,712,116
Bank guarantees	1,198,417	1,041,919	1,063,487
Prepaid expenses	689,520	734,324	757,645
Staff receivables	23,984	24,021	45,228
Refundable deposits	3,879	3,879	8,879
Others	5,003	5,003	6,622
	5,268,626	4,712,512	7,593,977

* Due from related parties balances include KD 562,530 and KD 99,000 paid to Al Muhamadiyah Holding Company W.L.L. and Al Tharwa Financial Holding Company W.L.L. respectively for subscription to share capitals of these newly incorporated companies.

The movements of provision for expected credit losses during the period / year are as follows:

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Balance at beginning of the period / year	2,893,492	427,253	427,253
Expected credit losses during the period / year	-	2,467,770	-
Used during the period / year	-	(1,531)	-
Balance at end of the period / year	2,893,492	2,893,492	427,253

7. Financial assets at fair value through profit or loss

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Local quoted shares	83,962	75,905	63,361

8. Payables and other credit balances

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Trade payables	391,742	281,366	528,552
Due to related parties (note 11)	1,021,342	717,644	800,940
Payables from purchase of property and equipment	355,381	379,913	379,913
Accrued expenses	584,196	431,622	481,211
Payables from purchase of financial investments	204,822	204,822	204,822
Advance payments from clients	17,335	74,992	83,553
Tax deductions	425,521	444,271	425,521
Dividends payable	115,267	115,267	115,267
Provision for staff leave	62,212	53,616	53,182
Other credit balances	207,927	212,007	43,479
	3,385,745	2,915,520	3,116,440

9. (Loss) / gain of investments

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2021	2020	2021	2020
	KD	KD	KD	KD
Unrealised (loss) / gain on financial assets at fair value through profit or loss	(895)	6,528	8,073	(7,717)
Realised loss on sale of financial assets at fair value through profit or loss	(50)	-	(50)	-
	(945)	6,528	8,023	(7,717)

10. Loss per share attributable to the shareholders of the Parent Company

Basic loss per share is calculated based on the net loss for the period attributable to the shareholders of the Parent Company divided by the weighted average number of issued and outstanding shares during the period as follows:

	For the three months period ended 30 September		For the nine months period ended 30 September	
	2021	2020	2021	2020
Net loss for the period attributable to the shareholders of the Parent Company (KD)	(181,820)	(190,757)	(902,525)	(354,860)
Weighted average number of outstanding shares during the period (Shares)	269,640,000	269,640,000	269,640,000	269,640,000
Loss per share attributable to the shareholders of the Parent Company (Fils)	(0.67)	(0.71)	(3.35)	(1.32)

11. Related party disclosures

Related parties primarily comprise of board of directors, key management personnel, associate companies, subsidiary companies and shareholders of which the Company is principal owner or over which they are able to exercise significant influence. Pricing policies and terms of related party transactions are approved by the company's management.

In the normal course of business of the Group, transactions have been carried out with related parties (principle shareholders).

	30 September 2021	31 December 2020 (Audited)	30 September 2020
	KD	KD	KD
Interim condensed consolidated statement of financial position:			
Due from related parties (note 6)	**3,686,926**	3,080,058	3,309,315
Expected credit loss during the period / year	**(1,411,476)**	(1,411,476)	-
Net due from related parties	**2,275,450**	1,668,582	3,309,315
Due to related parties (note 8)	**1,021,342**	717,644	800,940

The transactions with related parties are subject to the approval of the shareholders at the annual general assembly meeting.

12. Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of fair value through other comprehensive income, due from related parties, accounts receivable and other debit balances, investments at fair value through profit or loss, bank balances and short term deposits. Financial liabilities consist of accounts payable and other credit balances. The fair values of financial instruments are not materially different from their carrying values.

a) Fair value measurements recognised in the consolidated statement of financial position

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 assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, 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 or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

12. Fair value of financial instruments (continued)

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

30 September 2021	**Level 1**	**Level 3**	**Total**
	KD	**KD**	**KD**
Financial assets at fair value through profit or loss			
Local quoted securities	**83,962**	-	**83,962**
Financial assets at fair value through other comprehensive income			
Local quoted securities	-	13,728	13,728
Total	83,962	13,728	97,690
31 December 2020			
Financial assets at fair value through profit or loss			
Local quoted securities	75,905	-	75,905
Financial assets at fair value through other comprehensive income			
Local quoted securities	418,301	-	418,301
Local unquoted securities	-	13,728	13,728
Total	494,206	13,728	507,934
30 September 2020			
Financial assets at fair value through profit or loss			
Local quoted securities	63,361	-	63,361
Financial assets at fair value through other comprehensive income			
Local quoted securities	412,723	-	412,723
Local unquoted securities	-	91,055	91,055
Total	476,084	91,055	567,139

There have been no transfers between levels 1 & 3 during the reporting period.

Valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out below.

Valuation of unquoted equity investments classified under level 3 is normally based on price to book value technique, dividend yield method and external valuation with marketability discount ranging from 20% to 30%.

Changing inputs to the level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognized in the consolidated statement of profit or loss, total assets, total liabilities or total equity.

The measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market date. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

12. Fair value of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial assets

	Financial assets at fair value through other comprehensive income
	KD
30 September 2021	
Beginning balance	13,728
Ending balance	13,728
31 December 2020	
Beginning balance	1,231,342
Total gain or loss	
- Change in fair value reserve	(77,326)
Sales	(1,140,288)
Ending balance	13,728
30 September 2020	
Beginning balance	1,231,342
Sales	(1,140,287)
Ending balance	91,055

The sensitivity analysis of a reasonably possible change in one significant unobservable input, holding other inputs constant, of level 3 financial instruments is provided below:

Financial assets at fair value through other comprehensive income (level 3)

	Other comprehensive income	
	Increase	Decrease
30 September 2021	KD	KD
If marketability discount changes by 5% with all other factors constant, the impact on the equity would be:	686	686
31 December 2020		
If marketability discount changes by 5% with all other factors constant, the impact on the equity would be:	686	686
30 September 2020		
If marketability discount changes by 5% with all other factors constant, the impact on the equity would be:	4,553	4,553

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

(i) Quoted securities
All the listed equity securities are publicly traded on a recognized stock exchange. Fair value has been determined by referring to their quoted bid prices at the reporting date.

(ii) Unquoted securities
Unlisted securities are measured at fair value estimated using various models like discounted cash flow model, which includes some assumptions that are not supportable by observable market prices or rates or the latest financial statements or information available on these investments the future financial flows of which are unpredictable.

13. Segmental financial information

The group's activities represent mainly two segments: investment and general trade and contracting.

Investment segment: Represents in investments on the financial sector.

General trade and contracting segment: Represents in providing services for others.

	Investment	General trade and contracting	Total
	KD	KD	KD
30 September 2021			
Segments revenues	**13,764**	**1,197,310**	**1,211,074**
Segments results	**(437,492)**	**(672,175)**	**(1,109,667)**
Segments assets	**21,522,946**	**6,868,036**	**28,390,982**
Segments liabilities	**1,583,087**	**1,947,042**	**3,530,129**
30 September 2020			
Segments revenues	-	2,305,525	2,305,525
Segments results	(172,061)	(219,556)	(391,617)
Segments assets	27,452,399	9,426,852	36,879,251
Segments liabilities	1,121,354	2,139,065	3,260,419

14. Annual general assembly

The annual general assembly meeting of shareholders held on 14 June 2021 approved the consolidated financial statements for the year ended 31 December 2020. The shareholders also approved not to distribute the dividends for the year then ended.

15. Lawsuits and possible claims

During the previous financial years, the "group" subscribed to an increase in capital of one of the companies listed on the stock exchange through its subsidiary (Alqeyam Al Kuwaitiya General Trading and Contracting Company W.L.L. Formerly International Reflection for General Trading and Contracting Company W.L.L). However, on 1 April 2021, a decision was made by Disciplinary Board of the Capital Markets Authority to cancel the capital increase of the investee company (Jiyad Holding Company K.P.S.C.) "the associate company". It also required India Holding Company K.S.C. (Holding) the "Associate Company", in cooperation with the CEO of Jiyad Holding Company K.P.S.C., the "Associate Company", to return to the Authority an amount of KD 5,250,000 and an amount of KD 1,948,026 representing the value of the funds subject to the violation. The Group management is currently studying and reviewing the effects resulting from Capital Markets Authority decisions. The management believes that it is not possible at present time to assess the financial effect resulting from these decisions, specially since the associate companies filed legal cases to challenge these decisions.

16. Impact of COVID - 19

During the early months of last year (2020) until the current year (2021), the Coronavirus pandemic (COVID-19) suddenly erupted at global scale and disturbed normal business operations, financial markets and other economic activities. The resulting financial impact on Group financial position and on profit and loss statement have been adjusted and accounted for as at 30 September 2021. However, the full impact of COVID-19 on Group business cannot be reliably measured from current observations as the pandemic is still in progress as at reporting date.

Expected Credit Loss (ECL)
The Group has applied both qualitative and quantitative management techniques to assess ECL as at 30 September 2021 and concluded that there is no material impact due to COVID-19.

16. Impact of COVID – 19 (continued)

Property and equipment and investment in associates
As at 30 September 2021, the Group has not identified any significant impact on the carrying values of its non-financial assets due to COVID-19, especially the cash generating capabilities from these non-financial assets. The Group is aware that certain geographical areas and sectors in which these assets exist are negatively impacted and consistently monitors the market outlook and uses relevant assumptions in reflecting the values of these non-financial assets appropriately in the interim condensed consolidated financial information.

Going concern
The Group management performed assessment of impact of COVID-19 on its primary business activities and foresee no treat to going concern principle. Although the future behavior of COVID-19 cannot be measured with precision at this stage, the management believes that business continuity will not be adversely affected.