

**Kuwait Portland Cement Co. K.P.S.C.  
and its subsidiary  
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)**  
and review report for the nine month period ended 30 September 2019

**Kuwait Portland Cement Co. K.P.S.C.  
and its subsidiary  
State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)  
and review report for the nine month period ended 30 September 2019**

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**Review Report of Interim Condensed Consolidated Financial Information to the Board of Directors,  
Kuwait Portland Cement Co. K.P.S.C.  
State of Kuwait**

***Introduction***

We have reviewed the accompanying interim condensed consolidated financial position of Kuwait Portland Cement Co. K.P.S.C. ("The Parent Company") and its subsidiary (together referred to as "the Group") as at 30 September 2019, and the related interim condensed consolidated statements of income, income and other comprehensive income, changes in equity and cash flows for the nine month period then ended. The preparation and presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management 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***

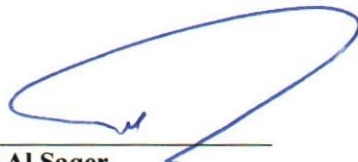
We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons 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.

***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 International Accounting Standard 34: (Interim Financial Reporting).

***Report on Other Legal and Regulatory Requirements***

Furthermore, the condensed consolidated interim financial information is in agreement with the books of account. We further report that, to the best of our knowledge and belief, no violations of Companies' Law No. 1 of 2016, and its executive regulations, as amended or of the Parent Company's memorandum of incorporation and articles of association, as amended, have occurred during the nine month period ended 30 September 2019, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.



**Faisal Saqer Al Saqer**  
**License No. 172 – "A"**  
**BDO Al Nisf & Partners**

**Kuwait: 11 November 2019**

**Kuwait Portland Cement Co. K.P.S.C.  
and its subsidiary  
State of Kuwait**

**Interim Condensed Consolidated Statement of Financial Position (Unaudited)**  
As at 30 September 2019

		(Audited)	
	30 September 2019	31 December 2018	30 September 2018
	Notes	KD	KD
<b>Assets</b>			
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	5	21,089,800	16,036,084
Property, plant and equipment	6	5,638,495	6,103,293
		<u>26,728,295</u>	<u>22,139,377</u>
<b>Current assets</b>			
Financial assets at fair value through statement of income	7	20,696,428	21,690,756
Trade and other receivables		25,357,900	26,585,758
Inventories	8	5,844,458	9,877,309
Cash and cash equivalents	9	6,348,130	11,345,017
		<u>58,246,916</u>	<u>69,498,840</u>
<b>Total assets</b>		<u>84,975,211</u>	<u>91,638,217</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		10,022,196	10,022,196
Statutory reserve		10,022,196	10,022,196
Voluntary reserve		10,022,196	10,022,196
General reserve		2,500,000	2,500,000
Treasury shares reserve		544,943	544,943
Change in fair value reserve		12,325,911	7,281,074
Retained earnings		24,246,554	28,092,466
<b>Total equity</b>		<u>69,683,996</u>	<u>68,485,071</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other provisions	10	1,600,001	2,144,449
Provision for employees' end of service indemnity		4,583,201	4,376,397
		<u>6,183,202</u>	<u>6,520,846</u>
<b>Current liabilities</b>			
Trade and other payables	11	8,438,500	16,183,706
Dividends payable		669,513	448,594
		<u>9,108,013</u>	<u>16,632,300</u>
<b>Total liabilities</b>		<u>15,291,215</u>	<u>23,153,146</u>
<b>Total equity and liabilities</b>		<u>84,975,211</u>	<u>91,638,217</u>

The accompanying notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

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Ali A. Al-Omar  
Chairman



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Khalifa Hamoud Al Ghanim  
CEO and Board Member

**Kuwait Portland Cement Co. K.P.S.C.**  
**and its subsidiary**  
**State of Kuwait**

**Interim condensed consolidated statement of income (unaudited)**  
For the nine month period ended 30 September 2019

Note	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	KD	KD	KD	KD
<b>Income</b>				
Sales	18,664,429	12,868,027	61,818,163	69,202,658
Cost of sales	(16,769,118)	(11,554,940)	(56,887,216)	(63,581,229)
Gross profit	1,895,311	1,313,087	4,930,947	5,621,429
Unrealised (loss) / profits on financial assets at fair value through statement of income	(1,278,038)	1,404,980	815,625	2,317,651
Profits / (loss) on sale of financial assets at fair value through statement of income	64,325	(254,517)	250,697	(131,284)
Interest (losses) / revenues	(332)	824	1,364	3,629
Net investment income	3,368	174,215	1,668,488	1,691,085
Foreign currency exchange (losses) / gains	(1,795)	2,260	502	(2,698)
Other income	363,292	571,839	1,168,824	1,442,475
<b>Total revenues</b>	<b>1,046,131</b>	<b>3,212,688</b>	<b>8,836,447</b>	<b>10,942,287</b>
<b>Expenses and other charges</b>				
General and administrative expenses	(29,826)	(278,338)	(1,423,975)	(1,467,316)
Distribution expenses	(191,277)	(208,186)	(628,205)	(900,386)
Other provisions	(122,827)	(130,000)	(162,827)	(190,000)
<b>Profit for the period before KFAS, NLST, Zakat and Directors' remuneration</b>	<b>702,201</b>	<b>2,596,164</b>	<b>6,621,440</b>	<b>8,384,585</b>
Contribution to Kuwait Foundation for the Advancement of Sciences National Labour Support	(7,022)	(25,962)	(66,214)	(83,846)
Tax	(17,555)	(61,595)	(131,387)	(203,795)
Zakat	(7,022)	(24,637)	(52,555)	(81,517)
Board of directors' remuneration	(65,000)	(65,000)	(195,000)	(195,000)
<b>Profit for the period</b>	<b>605,602</b>	<b>2,418,970</b>	<b>6,176,284</b>	<b>7,820,427</b>
<b>Basic earnings per share (fils)</b>	<b>12</b>	<b>24.13</b>	<b>61.62</b>	<b>78.03</b>

The accompanying notes on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.



**Kuwait Portland Cement Co. K.P.S.C.**  
**and its subsidiary**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Income and Other Comprehensive Income (Unaudited)**  
For the nine month period ended 30 September 2019

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	KD	KD	KD	KD
Profit for the period	605,602	2,418,970	6,176,284	7,820,427
<b>Other comprehensive items</b>				
<i>Items that may not be reclassified subsequently in the interim condensed consolidated statement of income:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	538,290	1,622,302	5,044,837	790,385
Other comprehensive income for the period	538,290	1,622,302	5,044,837	790,385
<b>Total other comprehensive income for the period</b>	<b>1,143,892</b>	<b>4,041,272</b>	<b>11,221,121</b>	<b>8,610,812</b>

The accompanying notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

**Kuwait Portland Cement Co. K.P.S.C.  
and its subsidiary  
State of Kuwait**

**Interim condensed consolidated statement of changes in equity (unaudited)**  
For the nine month period ended 30 September 2019

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	General reserve KD	Treasury shares reserve KD	Change of fair value reserve KD	Retained earnings KD	Total equity KD
As at 31 December 2017	10,022,196	10,022,196	10,022,196	2,500,000	544,943	5,149,764	30,229,150	68,490,445
Impact of adoption of IFRS 9	-	-	-	-	-	-	(1,500,000)	(1,500,000)
Balance at 1 January 2018 (restated)	10,022,196	10,022,196	10,022,196	2,500,000	544,943	5,149,764	28,729,150	66,990,445
Total comprehensive (loss)/income for the period	-	-	-	-	-	790,385	7,820,427	8,610,812
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	1,932,674	(1,932,674)	-
Cash dividends (Note 17)	-	-	-	-	-	-	(9,019,976)	(9,019,976)
<b>Balance as at 30 September 2018</b>	<b>10,022,196</b>	<b>10,022,196</b>	<b>10,022,196</b>	<b>2,500,000</b>	<b>544,943</b>	<b>7,872,823</b>	<b>25,596,927</b>	<b>66,581,281</b>
Balance as at 31 December 2018	10,022,196	10,022,196	10,022,196	2,500,000	544,943	7,281,074	28,092,466	68,485,071
Total comprehensive income for the period	-	-	-	-	-	5,044,837	6,176,284	11,221,121
Cash dividends (Note 17)	-	-	-	-	-	-	(10,022,196)	(10,022,196)
<b>Balance as at 30 September 2019</b>	<b>10,022,196</b>	<b>10,022,196</b>	<b>10,022,196</b>	<b>2,500,000</b>	<b>544,943</b>	<b>12,325,911</b>	<b>24,246,554</b>	<b>69,683,996</b>

The accompanying notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.

**Kuwait Portland Cement Co. K.P.S.C.**  
**and its subsidiary**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**  
For the nine month period ended 30 September 2019

	Nine months ended 30 September	
	2019 KD	2018 KD
<b>Operating activities</b>		
Net profit for the period	6,176,284	7,820,427
<i>Adjustments to:</i>		
Depreciation	3,503,417	3,992,705
Unrealised profits on assets at fair value through statement of income	(815,625)	(2,317,651)
Profits /(losses) on sale of assets at fair value through statement of income	(250,697)	131,284
profit on sale of property, machinery and equipment	-	(2,000)
Dividend income	(1,668,488)	(1,691,085)
Other provisions	162,827	190,000
Provision for employees' end of service indemnity	228,644	586,644
	<u>7,336,362</u>	<u>8,710,324</u>
<i>Movements in working capital:</i>		
Financial assets at fair value through statement of income	2,060,650	(903,825)
Trade and other receivables	1,227,858	7,722,855
Inventories	4,032,851	(5,765,134)
Trade and other payables	(7,745,206)	(2,435,294)
<i>Cash from operation</i>	<u>6,912,515</u>	<u>7,328,926</u>
Other provisions, paid	(707,275)	-
Payment of employees' end of service indemnity provision	(21,840)	(87,437)
<i>Net cash from operating activities</i>	<u>6,183,400</u>	<u>7,241,489</u>
<b>Investing activities</b>		
Paid for purchase of property, machinery and equipment	(3,038,619)	(4,689,273)
Assets at fair value through other comprehensive income	(8,879)	1,615,622
Dividend income received	1,668,488	1,691,085
Proceeds from sale of property, plant and equipment	-	26,780
<i>Net cash used in investment activities</i>	<u>(1,379,010)</u>	<u>(1,355,786)</u>
<b>Financing activities</b>		
Dividend payments	(9,801,277)	(9,126,441)
<i>Net cash used in financing activities</i>	<u>(9,801,277)</u>	<u>(9,126,441)</u>
Net decrease in cash and cash equivalents	(4,996,887)	(3,240,738)
cash and cash equivalents at beginning of the period	11,345,017	13,623,925
<b>Cash and cash equivalents at end of the period (Note 9)</b>	<u>6,348,130</u>	<u>10,383,187</u>

The accompanying notes on pages 7 to 15 form an integral part of this interim condensed consolidated financial information.



**Kuwait Portland Cement Co. K.P.S.C.  
and its subsidiary  
State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the nine month period ended 30 September 2019

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**1. General Information**

Kuwait Portland Cement Company K.P.S.C. ("the Parent Company") was incorporated on 7 July 1976 in Kuwait as per memorandum of incorporation No. 966, Volume 2, and was listed on Boursa Kuwait on 1 April 1995. Latest amendment to the memorandum of incorporation and articles of association of the Parent Company is dated 13 June 2017 to register the Parent Company's share capital increase through bonus shares, and to add an article concerning allowing the Company to purchase and sell its shares (treasury shares) to the extent of 10% of its issued shares at market value pursuant to provisions of executive regulations of law No. 7 of 2010 on CMA and regulation of securities industry as amended. The main activities of the Parent Company are as follows:

- Trading by import & export in bulk cement and packaging of the different types of cement.
- Constructing, operating, leasing, and renting of stores and silos necessary for the supply and distribution of the different types of cement.
- Acquisition of the means of transportation for that purpose.
- Manufacturing and marketing of readymade concrete
- Purchasing and importing raw materials, machines and vehicles related to the Group's purposes.
- Acquisition of movables and real estates related to the Group's purposes.
- Utilizing the financial surpluses of the Parent Company by investing them in portfolios by specialized companies and entities.
- Activity of aggregate import, trade and sale and acquisition of its equipment, means of transportation and crushers.
- Activity related to sand (Quarries) and acquisition of its equipment and means of transportation.

The address of the Parent Company's registered office is P.O. Box, 42191, Shuwaikh -70652, State of Kuwait.

The interim condensed consolidated financial information of Kuwait Portland Cement Company K.S.C. (Public) and its subsidiary (the Group) for the period ended 30 September 2019 were authorized for issue by the Parent Company's board of directors on 11 November 2019.

**2. Basis of preparation**

The interim condensed consolidated financial information for the nine month period ended 30 September 2019 is prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all the information and notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

**Kuwait Portland Cement Co. K.P.S.C.**  
**and its subsidiary**  
**State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the nine month period ended 30 September 2019

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**2. Basis of preparation (Continued)**

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

The business results for the nine month period ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019. For further information, refer to the consolidated financial statements and notes thereto for the financial year ended 31 December 2018.

The accounting policies used in the preparation of this interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2018 except for the changes in accounting policies resulted from adoption of IFRS (16) as mentioned in note No. (3).

The Group did not make an early application of any other standards, interpretations or amendments issued and not effective. Other amendments and interpretations are effective for the first time in 2019, but they do not have any material effect on the Group's interim condensed consolidated financial information.

**3. Changes in significant accounting policies**

IFRS 16 - Leases:

The standard, effective for annual periods beginning on or after 1 January 2019, provides a comprehensive framework for the identification of lease arrangements and their treatment in the interim condensed financial information of both lessees and lessors. It replaces the following existing standards and interpretations upon its effective date:

- IAS 17 - leases
- IFRIC 4 – Determining Whether an Arrangement Contains a Lease
- IFRIC 15 - Incentives for operating leases, and
- IFRIC 27 - Evaluate the essence of transactions involving legal form of the lease.

IFRS 16 introduces significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability (unless the lessee applies the fair value model in IAS 40 - right-of-use assets that meet the definition of investment property in IAS 40 or applies the revaluation model in IAS 16 Property, plant and equipment).

The lease liability is initially measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

**Kuwait Portland Cement Co. K.P.S.C.**  
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State of Kuwait

**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the nine month period ended 30 September 2019

**3. Changes in significant accounting policies (Continued)**

IFRS 16 - Leases: (Continued)

If a lessee elects not to apply the general requirements of IFRS 16 to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets, the lessee should recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

A lessee can apply IFRS 16 either by a full retrospective approach or a modified retrospective approach. If the latter approach is selected, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is presented as an adjustment to opening retained earnings (or other component of equity as appropriate).

In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, and continue to require a lessor to classify a lease either as an operating lease or a finance lease. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for sub-leases. As at the effective date, the adoption of IFRS 16 has not had a significant effect on the Group's accounting policies related to a lessor for sub-leases.

Transition

On applying the requirements of IFRS 16, the Group has determined that no significant impact arises on its interim condensed consolidated financial information.

**4. Details of the subsidiary**

Name of the subsidiary	Principal activity	Place of Incorporation	Percentage of holding	
			2019	2018
National Company for Aggregate Import & Sale W.L.L	Import and sale of aggregates	State of Kuwait	98%	98%

There are assignment letters from the non-controlling parties regarding their interests in the company in favor of the Parent Company.

**5. Financial assets at fair value through other comprehensive income**

Financial assets measured at fair value through other comprehensive income include equity securities not held for trading, for which the management issued irrevocable decision on initial recognition to recognize the changes in fair value through other comprehensive income other than profit or loss as these are strategic investments.

	30 September	(audited) 31 December	30 September
	2019	2018	2018
	KD	KD	KD
Local quoted financial assets	21,089,800	16,036,084	16,627,833
	<u>21,089,800</u>	<u>16,036,084</u>	<u>16,627,833</u>

**Kuwait Portland Cement Co. K.P.S.C.**  
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**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the nine month period ended 30 September 2019

**6. Property, plant and equipment**

	<b>30 September 2019</b>	<b>(Audited) 31 December 2018</b>	<b>30 September 2018</b>
	KD	KD	KD
<b>Cost</b>			
Carrying value at beginning of the period / year	42,111,244	36,926,966	36,926,966
Additions during the period / year	3,038,619	5,596,072	4,689,273
Disposals during the period / year	(210,104)	(411,794)	(216,085)
Balance at end of the period / year	<u>44,939,759</u>	<u>42,111,244</u>	<u>41,400,154</u>
<b>Accumulated depreciation</b>			
Balance at beginning of the period/year	36,007,951	30,769,505	30,769,505
Charge for the period / year	3,503,417	5,650,229	3,992,705
Related to disposals	(210,104)	(411,783)	(191,305)
Balance at end of the period/year	<u>39,301,264</u>	<u>36,007,951</u>	<u>34,570,905</u>
<b>Net carrying value at end of the period / year</b>	<u>5,638,495</u>	<u>6,103,293</u>	<u>6,829,249</u>

**7. Financial assets at fair value through statement of income**

	<b>30 September 2019</b>	<b>(Audited) 31 December 2018</b>	<b>30 September 2018</b>
	KD	KD	KD
Local quoted financial assets	20,646,404	21,396,671	22,971,200
Foreign quoted financial assets	50,024	294,085	29,136
	<u>20,696,428</u>	<u>21,690,756</u>	<u>23,000,336</u>

**8. Inventories**

	<b>30 September 2019</b>	<b>(Audited) 31 December 2018</b>	<b>30 September 2018</b>
	KD	KD	KD
Raw materials	534,310	430,877	375,239
Cement	1,030,467	928,246	1,228,819
Steel	2,406,669	3,061,709	4,843,121
Spare Parts	323,263	321,922	234,229
Goods in transit	597,285	184,009	184,351
Cement sacks	44,053	39,497	66,578
Aggregate	936,112	4,938,750	4,754,824
	<u>5,872,159</u>	<u>9,905,010</u>	<u>11,687,161</u>
Provision of slow moving inventories	(27,701)	(27,701)	(27,701)
	<u>5,844,458</u>	<u>9,877,309</u>	<u>11,659,460</u>

**Kuwait Portland Cement Co. K.P.S.C.**  
**and its subsidiary**  
**State of Kuwait**

**Notes to the Interim Condensed Consolidated Financial Information (Unaudited)**  
For the nine month period ended 30 September 2019

**9. Cash and cash equivalents**

	<b>30 September</b>	<b>(Audited)</b>	<b>30 September</b>
	<b>2019</b>	<b>31 December</b>	<b>2018</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Cash on hand	73,203	110,506	348,774
Bank balances	3,026,990	10,048,569	9,700,985
Cash in investment portfolios	3,247,937	1,185,942	333,428
	<u>6,348,130</u>	<u>11,345,017</u>	<u>10,383,187</u>

**10. Other provisions**

This item represents rental amount estimated by the Parent Company's management for the Group's cement plant located in Shuwaikh Port of KD 1,266,186 and KD 333,815 for gate fees.

There are mutual lawsuits between the Group and other parties regarding these amounts.

**11. Trade and other payables**

	<b>30 September</b>	<b>(Audited)</b>	<b>30 September</b>
	<b>2019</b>	<b>31 December</b>	<b>2018</b>
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Trade payables	6,261,009	13,833,377	16,109,544
Accrued expenses	1,239,581	1,241,989	1,330,015
Accrued leave	492,754	411,103	423,992
Contribution to Kuwait Foundation for the Advancement of Sciences	66,214	110,132	83,846
National Labour Support Tax	131,387	233,646	203,795
Zakat	52,555	93,459	81,517
Board of directors' remuneration	195,000	260,000	195,000
	<u>8,438,500</u>	<u>16,183,706</u>	<u>18,427,709</u>

**12. Basic earnings per share (fils)**

Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of shares:

	<b>Three months ended</b>		<b>Nine months ended 30</b>	
	<b>30 September</b>		<b>September</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Loss for the period (KD)	605,602	2,418,970	6,176,284	7,820,427
Weighted average number of outstanding shares (share)	100,221,960	100,221,960	100,221,960	100,221,960
<b>Basic earnings per share (fils)</b>	<u>6.04</u>	<u>24.13</u>	<u>61.62</u>	<u>78.03</u>

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**13. Related party transactions**

Related party transactions primarily comprise of subsidiaries, significant shareholders, directors and key management personnel of the Group, and entities of which they are principal owners. All related party transactions are carried out on terms approved by the Group's management.

Related parties transactions included in the interim condensed consolidated financial information were as follows:

	<b>Three months ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Condensed consolidated statement of income</b>				
<i>Staff and executive managers:</i>				
Salaries and other benefits	165,677	55,358	497,031	386,712
Directors' remuneration	65,000	65,000	195,000	195,000

**14. Segment information**

IFRS 8 requires that operating segments to be identified based on the internal reports of Group segments which are regularly reviewed by the chief decision maker so as to evaluate their performance. The Parent Company's management has classified the Group's products and services into the following operational segments according to the IFRS 8: "Operating Segments":

- Cement, steel and aggregate.
- Ready mix.
- Investments.

Below is the analysis of income and profit of segments as disclosed:

	<b>Revenues from operating segments</b>		<b>Net profit of operating segments</b>	
	<b>Nine months ended 30 September</b>		<b>Nine months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
Cement, steel and aggregate	36,927,671	42,631,667	4,132,284	3,852,999
Ready mix	24,890,492	26,570,991	798,663	1,768,430
Total for operations	61,818,163	69,202,658	4,930,947	5,621,429
Investments	-	-	2,736,676	3,878,383
Unallocated revenues			1,168,824	1,442,475
General and administrative expenses			(1,423,975)	(1,467,316)
Other provisions			(162,827)	(190,000)
Distribution expenses			(628,205)	(900,386)
Contribution to Kuwait Foundation for the Advancement of Sciences			(66,214)	(83,846)
National Labour Support				
Tax			(131,387)	(203,795)
Zakat			(52,555)	(81,517)
Directors' remuneration			(195,000)	(195,000)
Net profit for the period			<u>6,176,284</u>	<u>7,820,427</u>

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**14. Segment information (Continued)**

For the purposes of monitoring segment performance and allocating resources between segments, the segment assets and liabilities are as follows:

	<b>As at 30 September</b>	
	<b>2019</b>	<b>2018</b>
	KD	KD
<b>Assets</b>		
Cement, steel and aggregate	24,990,936	32,861,828
Ready mix	18,198,047	19,182,240
Investments	41,786,228	39,628,169
	<u>84,975,211</u>	<u>91,672,237</u>
<b>Liabilities</b>		
Cement, steel and aggregate	3,724,329	12,053,330
Ready mix	10,897,373	12,518,293
Unallocated	669,513	519,333
	<u>15,291,215</u>	<u>25,090,956</u>

**15. 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 assets.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are supported by observable sources for the assets, 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 asset is classified is determined based on the lowest level of significant input to the fair value measurement.

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

<b>30 September 2019</b>	<b>Level 1</b>	<b>Total</b>
	KD	KD
<b><i>Financial assets at fair value through statement of income</i></b>		
Quoted equities	20,696,428	20,696,428
<b><i>Financial assets at fair value through other comprehensive income</i></b>		
Quoted equities	21,089,800	21,089,800

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**15. Fair value measurement (Continued)**

<b>31 December 2018</b>	<b>Level 1</b>	<b>Total</b>
	KD	KD
<i>Financial assets at fair value through statement of income</i>		
Quoted equities	21,690,756	21,690,756
<i>Financial assets at fair value through other comprehensive income</i>		
Quoted equities	16,036,084	16,036,084
<b>30 September 2018</b>	<b>Level 1</b>	<b>Total</b>
	KD	KD
<i>Financial assets at fair value through statement of income</i>		
Quoted equities	23,000,336	23,000,336
<i>Financial assets at fair value through other comprehensive income</i>		
Quoted equities	16,627,833	16,627,833

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Valuation of unquoted equity investments classified under level 3 is normally based on price to book value technique, dividend yield method and external valuations with marketability discount provided in the range of 10% to 50%.

Agree fair value measurements of available for sale financial assets with Level 3.

**16. Contingent liabilities**

	<b>30 September</b>	<b>(audited)</b>	<b>30 September</b>
	<b>2019</b>	<b>31 December</b>	<b>2018</b>
	KD	KD	KD
Letters of guarantee	6,272,420	6,261,120	6,261,120



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**17. General assembly of shareholders**

On 11 April 2019, the general assembly of the Parent Company's shareholders was held and approved the consolidated financial statements for the financial year ended 31 December 2018 and approved distribution of cash dividends at 100% (100 fils per share) to the shareholders of record as of the date of holding the general assembly (2017: cash dividends at 90% of the share capital representing 90 fils per share).