

**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 six month period ended 30 June 2021

**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 six month period ended 30 June 2021

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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 statement of 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 June 2021, and the interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the six 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 interim condensed consolidated financial information is in agreement with the books of account. We further report that, based on our review, to the best of our knowledge and belief, no violations of Companies' Law No. 1 of 2016, and its Executive Regulations, as amended, Law No. 7 of 2010 concerning the Establishment of Capital Markets Authority and the Organization of Securities Activity and its Executive Regulations and related instructions, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the six month period ended 30 June 2021, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.

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

Kuwait: 11 August 2021

**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 June 2021

		(Audited)	
	30 June	31 December	30 June
	2021	2020	2020
Notes	KD	KD	KD
Assets			
Non-current assets			
Property, plant, and equipment	5,652,429	4,223,659	4,622,631
Financial assets at fair value through other comprehensive income	16,883,599	16,002,858	16,811,719
	<u>22,536,028</u>	<u>20,226,517</u>	<u>21,434,350</u>
Currents assets			
Financial assets at fair value through profit or loss	4 26,912,668	16,070,900	19,815,516
Trade and other receivables	5 24,167,413	23,219,534	19,027,354
Inventories	6 10,131,284	4,327,835	6,517,100
Cash and cash equivalents	7 5,068,853	17,370,498	10,637,865
	<u>66,280,218</u>	<u>60,988,767</u>	<u>55,997,835</u>
Total assets	<u>88,816,246</u>	<u>81,215,284</u>	<u>77,432,185</u>
Equity and liabilities			
Equity			
Share capital	10,022,196	10,022,196	10,022,196
Statutory reserve	10,022,196	10,022,196	10,022,196
Voluntary reserve	10,022,196	10,022,196	10,022,196
General reserve	2,500,000	2,500,000	2,500,000
Treasury shares reserve	544,943	544,943	544,943
Change in fair value reserve	12,030,555	11,149,814	8,042,514
Retained earnings	24,408,262	23,608,478	20,199,370
Total equity	<u>69,550,348</u>	<u>67,869,823</u>	<u>61,353,415</u>
Liabilities			
Non-current liabilities			
Provision for employees' end of service indemnity	5,133,799	5,053,363	4,855,386
Current liabilities			
Trade and other payables	8 13,244,520	7,548,091	6,656,157
Dividends payable	887,579	744,007	4,567,227
	<u>14,132,099</u>	<u>8,292,098</u>	<u>11,223,384</u>
Total liabilities	<u>19,265,898</u>	<u>13,345,461</u>	<u>16,078,770</u>
Total equity and liabilities	<u>88,816,246</u>	<u>81,215,284</u>	<u>77,432,185</u>

The accompanying notes on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

Ali A. Al-Omar
Chairman



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 Profit or Loss (Unaudited)

For the six month period ended 30 June 2021

	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	KD	KD	KD	KD
Revenues				
Sales	20,541,698	4,018,436	34,298,865	23,804,341
Cost of sales	(19,346,381)	(4,257,211)	(32,305,294)	(21,801,875)
Gross profit / (loss)	1,195,317	(238,775)	1,993,571	2,002,466
Unrealized profit / (loss) from financial assets at fair value through profit or loss	1,226,862	291,146	1,975,458	(4,526,109)
profit on sale of financial assets at fair value through profit or loss	548,667	-	507,187	435
Interest income	306	535	546	881
Dividend revenues	789,454	1,607,218	822,251	1,607,218
Loss from foreign exchange	(4,425)	(3,830)	(7,265)	(1,414)
Other revenues	389,129	144,766	694,218	507,331
Total revenues / (losses)	4,145,310	1,801,060	5,985,966	(409,192)
Expenses and other charges				
General and administrative expenses	(424,198)	(303,515)	(728,602)	(684,075)
Distribution expenses	(82,480)	(61,336)	(165,873)	(227,334)
Profit/(loss) for the period before KFAS, NLST, Zakat and Directors' remuneration	3,638,632	1,436,209	5,091,491	(1,320,601)
Contribution to Kuwait Foundation for the Advancement of Sciences	(36,386)	-	(50,915)	-
National Labour Support				
Tax	(35,937)	-	(72,796)	-
Zakat	(14,374)	-	(29,118)	-
Board of Directors' remuneration	(65,000)	(65,000)	(130,000)	(130,000)
Net profit/(loss) for the period	3,486,935	1,371,209	4,808,662	(1,450,601)
Basic earnings/(loss) per share (fils) (Note 9)	34.79	13.70	47.98	(14.47)

The accompanying notes on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.



Kuwait Portland Cement Co. K.P.S.C.
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Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
(Unaudited)

For the six month period ended 30 June 2021

	Three months ended		Six months ended	
	30 June		30 June	
	2021	2020	2021	2020
	KD	KD	KD	KD
Profit / (loss) for the period	<u>3,486,935</u>	<u>1,371,209</u>	<u>4,808,662</u>	<u>(1,450,601)</u>
Other comprehensive income / (loss) items				
<i>Items that cannot be reclassified subsequently in the interim condensed consolidated statement of profit or loss:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	<u>2,709,956</u>	<u>(2,428,077)</u>	<u>880,741</u>	<u>(7,824,829)</u>
Other comprehensive income/(loss) for the period	<u>2,709,956</u>	<u>(2,428,077)</u>	<u>880,741</u>	<u>(7,824,829)</u>
Total comprehensive income/(loss) for the period	<u>6,196,891</u>	<u>(1,056,868)</u>	<u>5,689,403</u>	<u>(9,275,430)</u>

The accompanying notes on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.



**Kuwait Portland Cement Co. K.P.S.C.
and its Subsidiary
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Interim condensed consolidated statement of changes in equity (unaudited)

For the six month period ended 30 June 2021

	Share capital		Statutory reserve	Voluntary reserve	General reserve	Treasury shares reserve	Change in fair value reserve	Retained earnings	Total equity
	KD	KD							
Balance as at 31 December 2019	10,022,196		10,022,196	10,022,196	2,500,000	544,943	15,867,343	25,658,849	74,637,723
Total comprehensive loss for the period	-	-	-	-	-	-	(7,824,829)	(1,450,601)	(9,275,430)
Cash dividends	-	-	-	-	-	-	-	(4,008,878)	(4,008,878)
Balance as at 30 June 2020	<u>10,022,196</u>		<u>10,022,196</u>	<u>10,022,196</u>	<u>2,500,000</u>	<u>544,943</u>	<u>8,042,514</u>	<u>20,199,370</u>	<u>61,353,415</u>
Balance as at 31 December 2020	10,022,196		10,022,196	10,022,196	2,500,000	544,943	11,149,814	23,608,478	67,869,823
Total comprehensive income for the period	-	-	-	-	-	-	880,741	4,808,662	5,689,403
Cash dividends (Note 14)	-	-	-	-	-	-	-	(4,008,878)	(4,008,878)
Balance as at 30 June 2021	<u>10,022,196</u>		<u>10,022,196</u>	<u>10,022,196</u>	<u>2,500,000</u>	<u>544,943</u>	<u>12,030,555</u>	<u>24,408,262</u>	<u>69,550,348</u>

The accompanying notes on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

**Kuwait Portland Cement Co. K.P.S.C.
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Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six month period ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	KD	KD
Operating activities		
Net profit/(loss) for the period	4,808,662	(1,450,601)
<i>Adjustments to:</i>		
Depreciation	470,204	459,690
Unrealised (profit) / loss from assets at fair value through profit or loss	(1,975,458)	4,526,109
Loss / (profit) on sale of assets at fair value through profit or loss	(507,187)	(435)
Dividend revenues	(822,251)	(1,607,218)
Provision for employees' end of service indemnity	127,389	159,582
	<u>2,101,359</u>	<u>2,087,127</u>
<i>Movements in working capital:</i>		
Trade and other receivables	(947,879)	8,619,017
Inventories	(5,803,449)	(399,159)
Trade and other payables	5,696,429	(5,790,904)
<i>Cash from operations</i>	<u>1,046,460</u>	<u>4,516,081</u>
Payment of employees' end of service indemnity provision	(46,953)	(50,652)
<i>Net cash from operating activities</i>	<u>999,507</u>	<u>4,465,429</u>
Investing activities		
Paid for purchase of property, machinery and equipment	(1,898,974)	(202,308)
Assets at fair value through other comprehensive income	-	(5,316)
Financial assets at fair value through profit or loss	(8,359,123)	904,399
Dividend revenues received	822,251	1,607,218
<i>Net cash (used in) / generated from investing activities</i>	<u>(9,435,846)</u>	<u>2,303,993</u>
Financing activities		
Dividend payments	(3,865,306)	(66,541)
<i>Net cash used in financing activities</i>	<u>(3,865,306)</u>	<u>(66,541)</u>
Net (decrease)/increase in cash and cash equivalents	(12,301,645)	6,702,881
Cash and cash equivalents at beginning of the period	17,370,498	3,934,984
Cash and cash equivalents at end of the period (Note 7)	<u>5,068,853</u>	<u>10,637,865</u>

The accompanying notes on pages 7 to 13 form an integral part of this interim condensed consolidated financial information.

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the six month period ended 30 June 2021

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 in Boursa Kuwait on 1 April 1995. The latest amendment to the Parent Company's Memorandum of Incorporation and Articles of Association was dated 23 April 2019 to add a new article on allowing the Parent Company to practice certain new activities.

The principal activities of the Parent Company are:

- 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, 42191-70652, Shuwaikh, 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 June 2021 were authorized for issue by the Parent Company's Board of Directors on 11 August 2021.

2. Basis of preparation

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further information, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2020.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional and presentation currency of the Group.

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the six month period ended 30 June 2021

3. Use of judgements and estimates

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amounts of assets and liabilities, revenues, and expenses. Actual results may differ from these estimates.

The significant judgements made by management in adopting the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the group's chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the group audit committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further details about the assumptions made in measuring fair value are included in note 13.

4. Financial assets at fair value through profit or loss

	30 June 2021	(Audited) 31 December 2020	30 June 2020
	KD	KD	KD
Local quoted financial assets	26,834,996	16,070,467	19,741,776
Foreign quoted financial assets	77,672	433	73,740
	<u>26,912,668</u>	<u>16,070,900</u>	<u>19,815,516</u>

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For the six month period ended 30 June 2021

5. Trade and other receivables

	30 June 2021	(Audited) 31 December 2020	30 June 2020
	KD	KD	KD
Trade receivables	26,992,770	26,422,601	21,985,898
Provision for expected credit losses	(3,613,921)	(3,613,921)	(3,113,921)
	<u>23,378,849</u>	<u>22,808,680</u>	<u>18,871,977</u>
Advance payments	95,937	211,412	20,773
Other receivables	692,627	199,442	134,604
	<u>24,167,413</u>	<u>23,219,534</u>	<u>19,027,354</u>

6. Inventories

	30 June 2021	(Audited) 31 December 2020	30 June 2020
	KD	KD	KD
Raw materials	504,734	453,133	607,960
Cement	799,783	419,259	974,107
Steel	6,255,992	1,161,905	3,069,812
Spare parts	376,498	425,145	360,306
Goods in transit	1,449,369	900,239	435,164
Cement sacks	19,946	40,901	66,872
Aggregate	752,663	954,954	1,030,580
	<u>10,158,985</u>	<u>4,355,536</u>	<u>6,544,801</u>
Provision for slow moving inventories	(27,701)	(27,701)	(27,701)
	<u>10,131,284</u>	<u>4,327,835</u>	<u>6,517,100</u>

7. Cash and cash equivalents

	30 June 2021	(Audited) 31 December 2020	30 June 2020
	KD	KD	KD
Cash on hand	156,711	149,881	91,351
Bank balances	2,961,593	6,609,593	9,538,180
Cash in investment portfolios	1,950,549	10,611,024	1,008,334
	<u>5,068,853</u>	<u>17,370,498</u>	<u>10,637,865</u>

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the six month period ended 30 June 2021

8. Trade and other payables

	30 June 2021	(Audited) 31 December 2020	30 June 2020
	KD	KD	KD
Trade payables	10,562,589	5,763,743	5,049,388
Accrued expenses	1,657,840	1,036,852	949,526
Accrued leaves	638,123	568,357	527,243
Contribution to Kuwait Foundation for the Advancement of Sciences	64,878	13,963	-
National Labour Support Tax	139,064	57,268	-
Zakat	52,026	22,908	-
Board of Directors' remuneration	130,000	85,000	130,000
	<u>13,244,520</u>	<u>7,548,091</u>	<u>6,656,157</u>

9. Basic earnings / (loss) per share (fils)

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

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
Profit / (loss) for the period (KD)	<u>3,486,935</u>	<u>1,371,209</u>	<u>4,808,662</u>	<u>(1,450,601)</u>
Weighted average number of outstanding shares (shares)	<u>100,221,960</u>	<u>100,221,960</u>	<u>100,221,960</u>	<u>100,221,960</u>
Basic earnings/(loss) per share (fils)	<u>34.79</u>	<u>13.70</u>	<u>47.98</u>	<u>(14.47)</u>

10. 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 party transactions included in the interim condensed consolidated financial information were as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	KD	KD	KD	KD
Interim condensed consolidated statement of profit or loss:				
<i>Staff and executive managers:</i>				
Salaries and other benefits	165,677	165,677	331,354	331,354
Directors' remuneration	65,000	65,000	130,000	130,000

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

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11. 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:

	Operating segments revenues		Net profit/(loss) for the operating segments	
	Six months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
	KD	KD	KD	KD
Cement, steel, and aggregate	24,383,815	12,278,269	1,849,201	1,627,048
Ready mix	9,915,050	11,526,072	144,370	375,418
Total for operations	34,298,865	23,804,341	1,993,571	2,002,466
Investments			3,298,177	(2,918,989)
Unallocated income			694,218	507,331
General and administrative			(728,602)	(684,075)
Distribution expenses			(165,873)	(227,334)
Contribution to Kuwait			(50,915)	-
National Labour Support Tax			(72,796)	-
Zakat			(29,118)	-
Directors' remuneration			(130,000)	(130,000)
Net profit/(loss) for the			4,808,662	(1,450,601)

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

	As at 30 June	
	2021	2020
	KD	KD
Assets		
Cement, steel, and aggregate	29,922,451	22,521,469
Ready mix	15,097,528	18,283,481
Investments	43,796,267	36,627,235
	88,816,246	77,432,185

	As at 30 June	
	2021	2020
	KD	KD
Liabilities		
Cement, steel, and aggregate	11,074,014	9,224,454
Ready mix	7,304,305	2,287,089
Unallocated	887,579	4,567,227
	19,265,898	16,078,770

**Kuwait Portland Cement Co. K.P.S.C.
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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the six month period ended 30 June 2021

12. 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 interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

30 June 2021	Level 1	Level 3	Total
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	20,304,424	-	20,304,424
Unquoted equities	-	6,608,244	6,608,244
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	16,883,599	-	16,883,599
31 December 2020			
	Level 1	Level 3	Total
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	9,462,656	-	9,462,656
Unquoted equities	-	6,608,244	6,608,244
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	16,002,858	-	16,002,858
30 June 2020			
	Level 1	Level 3	Total
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	13,207,272	-	13,207,272
Unquoted equities	-	6,608,244	6,608,244
<i>Financial assets at fair value through other comprehensive income</i>			
Quoted equities	16,811,719	-	16,811,719

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.

**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 six month period ended 30 June 2021

12. Fair value measurement (continued)

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%.

13. Contingent liabilities

	30 June 2021	(Audited) 31 December 2020	30 June 2020
	KD	KD	KD
Letters of guarantee	43,386,633	11,611,633	11,611,633

14. General Assembly of Shareholders

On 6 May 2021, the General Assembly of Shareholders was held and approved the consolidated financial statements for the financial year ended 31 December 2020 and approved distribution of cash dividends at 40% of the share capital (40 fils per share) to the shareholders registered as of the date of holding the General Assembly. Further, it approved an amount of KD 85,000 as remuneration to be paid to the Board of Directors for the financial year ended 31 December 2020.

15. Comparative figures

Certain comparative figures have been reclassified to conform to current presentation of the interim condensed consolidated financial information and this has no impact on the loss or equity for the period.