

**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 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 nine month period ended 30 September 2021

Contents	Page
Report on Review of the Interim Condensed Consolidated Financial Information	1
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	2
Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)	3
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)	4
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	5
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	6
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	7-15

**Report on Review of the 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 September 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 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 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 nine month period ended 30 September 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 November 2021.

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

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

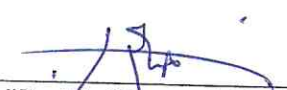
As at 30 September 2021

	Note	30 September 2021 KD	(Audited) 31 December 2020 KD	30 September 2020 KD
Assets				
Non-current assets				
Property, plant and equipment	5	5,284,894	4,223,659	4,426,789
Investment in associate	6	3,760,018	-	-
Financial assets at fair value through other comprehensive income		22,113,019	16,002,858	20,710,272
		<u>31,157,931</u>	<u>20,226,517</u>	<u>25,137,061</u>
Current assets				
Financial assets at fair value through profit or loss	7	16,913,349	16,070,900	21,495,675
Trade and other receivables	8	25,624,091	23,219,534	23,054,610
Inventories	9	10,978,838	4,327,835	5,641,907
Cash and cash equivalents	10	12,594,933	17,370,498	5,922,948
		<u>66,111,211</u>	<u>60,988,767</u>	<u>56,115,140</u>
Total assets		<u>97,269,142</u>	<u>81,215,284</u>	<u>81,252,201</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		15,372,648	11,149,814	11,941,068
Retained earnings		25,662,942	23,608,478	21,545,209
Total equity		<u>74,147,121</u>	<u>67,869,823</u>	<u>66,597,808</u>
Liabilities				
Non-current liabilities				
Provision for employees' end of service indemnity		5,212,141	5,053,363	5,036,541
		<u>5,212,141</u>	<u>5,053,363</u>	<u>5,036,541</u>
Current liabilities				
Trade and other payables	11	17,098,271	7,548,091	8,703,478
Dividends payable		811,609	744,007	914,374
		<u>17,909,880</u>	<u>8,292,098</u>	<u>9,617,852</u>
Total liabilities		<u>23,122,021</u>	<u>13,345,461</u>	<u>14,654,393</u>
Total equity and liabilities		<u>97,269,142</u>	<u>81,215,284</u>	<u>81,252,201</u>

The accompanying notes on pages 7 to 15 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 nine month period ended 30 September 2021

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
	KD	KD	KD	KD
Revenues				
Sales	27,606,581	11,261,580	61,905,446	35,065,921
Cost of sales	(26,383,938)	(10,630,481)	(58,689,232)	(32,432,356)
Gross profit	1,222,643	631,099	3,216,214	2,633,565
Unrealised (loss) / profit on financial assets at fair value through profit or loss	(113,571)	911,811	1,861,887	(3,614,298)
Profit from sale of financial assets at fair value through profit or loss	860,769	-	1,367,956	435
Interest revenues	203	566	749	1,447
Cash dividends	109,189	154,831	931,440	1,762,049
Foreign exchange gain/(loss)	24	2,320	(7,241)	906
Other revenues	596,966	571,550	1,291,184	1,078,881
Total revenues	2,676,223	2,272,177	8,662,189	1,862,985
Expenses and other charges				
General and administrative expenses	(216,829)	(255,269)	(945,431)	(939,344)
Distribution expenses	(80,235)	(105,185)	(246,108)	(332,519)
Provision for expected credit losses	(900,000)	(500,000)	(900,000)	(500,000)
Profit for the period before KFAS, NLST, Zakat and Directors' remuneration	1,479,159	1,411,723	6,570,650	91,122
Contribution to Kuwait Foundation for the Advancement of Sciences	(14,792)	(911)	(65,707)	(911)
National Labour Support Tax	(103,367)	-	(176,163)	-
Zakat	(41,347)	-	(70,465)	-
Board of Directors' remuneration	(65,000)	(65,000)	(195,000)	(195,000)
Profit / (loss) for the period	1,254,653	1,345,812	6,063,315	(104,789)
Basic earnings/(loss) per share (fils) (Note 12)	12.52	13.43	60.50	(1.05)

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 Profit or Loss and Other Comprehensive Income
(Unaudited)

For the nine month period ended 30 September 2021

	Three months ended 30 September		Nine months ended 30 September	
	2021 KD	2020 KD	2021 KD	2020 KD
Profit / (loss) for the period	1,254,653	1,345,812	6,063,315	(104,789)
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	3,342,093	3,898,554	4,222,834	(3,926,275)
Other comprehensive income / (loss) for the period	3,342,093	3,898,554	4,222,834	(3,926,275)
Total comprehensive income / (loss) for the period	4,596,746	5,244,366	10,286,149	(4,031,064)

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 2021

	Share capital	Statutory reserve	Voluntary reserve	General reserve	Treasury shares reserve	Change of fair value reserve	Retained earnings	Total equity
	KD	KD	KD	KD	KD	KD	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	-	-	-	-	-	(3,926,275)	(104,789)	(4,031,064)
Cash dividends	-	-	-	-	-	-	(4,008,851)	(4,008,851)
Balance as at 30 September 2020	10,022,196	10,022,196	10,022,196	2,500,000	544,943	11,941,068	21,545,209	66,597,808
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	-	-	-	-	-	4,222,834	6,063,315	10,286,149
Cash dividends (Note 17)	-	-	-	-	-	-	(4,008,851)	(4,008,851)
Balance as at 30 September 2021	10,022,196	10,022,196	10,022,196	2,500,000	544,943	15,372,648	25,662,942	74,147,121

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 2021

	Nine months ended 30 September	
	2021	2020
	KD	KD
Operating activities		
Net profit/(loss) for the period	6,063,315	(104,789)
<i>Adjustments to:</i>		
Depreciation	748,091	648,854
Unrealised loss / (profit) from assets at fair value through profit or loss	(1,861,887)	3,614,298
Profit from sale of assets at fair value through profit or loss	(1,367,956)	(435)
Provision for expected credit losses	900,000	500,000
Dividend revenues	(931,440)	(1,762,049)
Provision for employees' end of service indemnity	295,731	373,799
	<u>3,845,854</u>	<u>3,269,678</u>
<i>Movements in working capital:</i>		
Trade and other receivables	(3,304,557)	4,091,761
Inventories	(6,651,003)	476,034
Trade and other payables	9,550,180	(3,743,556)
<i>Cash from operations</i>	3,440,474	4,093,917
Payment of employees' end of service indemnity provision	(136,953)	(83,714)
<i>Net cash from operating activities</i>	<u>3,303,521</u>	<u>4,010,203</u>
Investing activities		
Paid for purchase of property, machinery and equipment	(1,809,326)	(195,630)
Assets at fair value through other comprehensive income	(1,887,327)	(5,315)
Financial assets at fair value through profit or loss	(994,720)	136,051
Paid for purchase of investment in associate	(377,904)	-
Dividend revenues received	931,440	1,762,049
<i>Net cash (used in) / generated from investing activities</i>	<u>(4,137,837)</u>	<u>1,697,155</u>
Financing activities		
Dividend payments	(3,941,249)	(3,719,394)
<i>Net cash used in financing activities</i>	<u>(3,941,249)</u>	<u>(3,719,394)</u>
Net (decrease)/ Increase in cash and cash equivalents	(4,775,565)	1,987,964
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 10)	<u>12,594,933</u>	<u>5,922,948</u>

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

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)

For the nine month period ended 30 September 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 and its subsidiary 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 managed 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 September 2021 was authorized for issue by the Parent Company's board of directors on 11 November 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 nine month period ended 30 September 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 except for changes in accounting policies as indicated in (Note 3).

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2021

3. Changes in significant accounting policies

The accounting policies applied by the Group are consistent with those adopted in the consolidated financial statements for the year ended 31 December 2020 except for the following changes:

Investment in associate

Associates are those entities in which the Group has significant influence which is the power to participate in the financial and operating policy decisions of the associate. It is not represented in control or joint control over such decisions. Under the equity method, investments in associates are carried in the interim condensed consolidated statement of financial position at cost as adjusted for any changes subsequent to the date in which the Group acquired a share of the net assets of the associate from the date that significant influence effectively commences until the date that significant influence effectively ceases, except when the investments are classified as held for sale, in which case they are accounted for as per IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

The Group recognizes its share in business results of the associate in the interim condensed consolidated statement of profit or loss. Moreover, the Company recognizes its share of changes in other comprehensive income of associate.

Losses of an associate in excess of the Group's interest in that associate (including any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognized except to the extent that the Group has an obligation or has made any payments on behalf of the associate.

Gains or losses arising from transactions with associates are eliminated against the investment in the associate to the extent of the Group's interest in the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying value of the investment in associates. It is assessed as a part of the investment in order to determine the impairment. If the cost of acquisition is lower than the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities, the difference is recognised immediately in the interim condensed consolidated statement of profit or loss.

The Group determines, at each reporting date, whether there is an indication that the investment in the associate may be impaired and determining whether it is necessary to recognize any impairment in the investment. If any such indication exists, an impairment loss is determined for the entire carrying amount of the investment (including goodwill). The Group calculates the impairment amount as the difference between the recoverable amount of the associate and its carrying amount. Such amount is recognized in the interim condensed consolidated statement of profit or loss. Any reversal of the impairment is recognised to the extent that the recoverable amount of the investment is subsequently increased.

The Group measures and recognizes any investments held at the fair value upon loss of significant influence on the associate. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment and proceeds from disposal are recognised in the interim condensed consolidated statement of profit or loss.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2021

4. 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 15.

5. Property, plant and equipment

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Net carrying value at beginning of the period/year	4,223,659	4,880,013	4,880,013
Additions during the period / year	1,809,326	309,775	195,630
Depreciation during the period/year	(748,091)	(966,129)	(648,854)
Net carrying value at end of the period/year	<u>5,284,894</u>	<u>4,223,659</u>	<u>4,426,789</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2021

6. Investment in associate

Name of the associate	activity	Place of Incorporation	Percentage of holding		
			30 September 2021	(Audited) 31 December 2020	30 September 2020
Land United Real Estate Company K.S.C.P.	Real estates	State of Kuwait	20%	-	-

Movement in investment in associate is as follows:

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Transferred from financial assets at fair value through profit or loss	3,382,114	-	-
Additions during the period / year	377,904	-	-
Net carrying value at end of the period/year	<u>3,760,018</u>	<u>-</u>	<u>-</u>

During the period ended 30 September 2021, the Group purchased an additional share in Land United Real Estate Company K.S.C.P., and accordingly, the Group's share reached 20% of the Company's share capital. Therefore, the Group's investment, previously listed as financial assets at fair value through profit or loss was transferred to an investment in associate.

Fair value of the investment in associate as at 30 September 2021 amounted to 3,030,000 KD.

7. Financial assets at fair value through profit or loss

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Local quoted financial assets	13,776,386	9,629,353	14,977,435
Local unquoted financial assets	3,059,000	6,441,114	6,441,114
Foreign quoted financial assets	77,963	433	77,126
	<u>16,913,349</u>	<u>16,070,900</u>	<u>21,495,675</u>

8. Trade and other receivables

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Trade receivables	29,924,753	26,422,601	26,549,636
Provision for expected credit losses	(4,513,921)	(3,613,921)	(3,613,921)
	<u>25,410,832</u>	<u>22,808,680</u>	<u>22,935,715</u>
Advance payments	89,076	211,412	96,501
Other debit balances	124,183	199,442	22,394
	<u>25,624,091</u>	<u>23,219,534</u>	<u>23,054,610</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 2021

9. Inventories

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Raw materials	416,394	453,133	512,005
Cement	534,602	419,259	1,135,321
Steel	7,366,974	1,161,905	2,183,042
Spare parts	447,261	425,145	396,170
Goods in transit	1,435,338	900,239	550,744
Cement sacks	38,271	40,901	54,130
Aggregate	767,699	954,954	838,196
	<u>11,006,539</u>	<u>4,355,536</u>	<u>5,669,608</u>
Provision for slow moving inventories	(27,701)	(27,701)	(27,701)
	<u>10,978,838</u>	<u>4,327,835</u>	<u>5,641,907</u>

10. Cash and cash equivalents

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Cash on hand	82,985	149,881	264,744
Bank balances	5,400,911	6,609,593	5,418,216
Cash at investment portfolios	7,111,037	10,611,024	239,988
	<u>12,594,933</u>	<u>17,370,498</u>	<u>5,922,948</u>

11. Trade and other payables

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Trade payables	14,825,238	5,763,743	7,062,925
Accrued expenses	1,009,281	1,036,852	878,372
Accrued leaves	662,278	568,357	566,270
Contribution to Kuwait Foundation for the Advancement of Sciences	79,670	13,963	911
National Labour Support Tax	233,431	57,268	-
Zakat	93,373	22,908	-
Board of Directors' remuneration	195,000	85,000	195,000
	<u>17,098,271</u>	<u>7,548,091</u>	<u>8,703,478</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2021

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
Profit/(loss) for the period (KD)	1,254,653	1,345,812	6,063,315	(104,789)
Weighted average number of outstanding shares (shares)	100,221,960	100,221,960	100,221,960	100,221,960
Basic earnings/(loss) per share (fils)	12.52	13.43	60.50	(1.05)

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

	Three months ended 30 September		Nine months ended 30 September	
	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	497,031	497,031
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, aggregate and Ready mix.
- Investments.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2021

15. Fair value measurement (Continued)

- 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 September 2021

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	13,854,349	-	13,854,349
Unquoted equities	-	3,059,000	3,059,000
Total	<u>13,854,349</u>	<u>3,059,000</u>	<u>16,913,349</u>

Financial assets at fair value through other comprehensive income

Quoted equities	22,113,019	-	22,113,019
Total	<u>22,113,019</u>	<u>-</u>	<u>22,113,019</u>

31 December 2020

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	9,629,786	-	9,629,786
Unquoted equities	-	6,441,114	6,441,114
Total	<u>9,629,786</u>	<u>6,441,114</u>	<u>16,070,900</u>

Financial assets at fair value through other comprehensive income

Quoted equities	16,002,858	-	16,002,858
Total	<u>16,002,858</u>	<u>-</u>	<u>16,002,858</u>

30 September 2020

	<u>Level 1</u>	<u>Level 3</u>	<u>Total</u>
	KD	KD	KD
<i>Financial assets at fair value through profit or loss</i>			
Quoted equities	15,054,561	-	15,054,561
Unquoted equities	-	6,441,114	6,441,114
Total	<u>15,054,561</u>	<u>6,441,114</u>	<u>21,495,675</u>

Financial assets at fair value through other comprehensive income

Quoted equities	20,710,272	-	20,710,272
Total	<u>20,710,272</u>	<u>-</u>	<u>20,710,272</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2021

15. Fair value measurement (Continued)

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 the Group's 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%.

16. Contingent liabilities

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

17. 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.

18. 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.