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 2022

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Contents

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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 2022, 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 2022, 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: 10 August 2022

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 2022

	Notes	30 June 2022 KD	(Audited) 31 December 2021 KD	30 June 2021 KD
Assets				
Non-current assets				
Property, plant and equipment		5,911,042	6,213,372	5,652,429
Investment in an associate		3,576,911	3,760,018	-
Financial assets at fair value through other comprehensive income	4	30,361,638	28,968,847	16,883,599
		39,849,591	38,942,237	22,536,028
Currents assets				
Financial assets at fair value through profit or loss	5	13,807,576	15,047,644	26,912,668
Trade and other receivables		22,943,294	21,004,011	24,167,413
Inventory		7,930,333	7,268,329	10,131,284
Cash and cash equivalents		7,455,242	7,606,001	5,068,853
		52,136,445	50,925,985	66,280,218
Total assets		91,986,036	89,868,222	88,816,246
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		16,176,018	14,764,346	12,030,555
Retained earnings		22,186,429	26,627,642	24,408,262
Total equity		71,473,978	74,503,519	69,550,348
Liabilities				
Non-current liabilities				
Provision for employees' end of service indemnity		6,645,166	5,376,626	5,133,799
Current liabilities				
Trade and other payables	6	12,890,379	9,223,798	13,244,520
Dividends payable		976,513	764,279	887,579
		13,866,892	9,988,077	14,132,099
Total liabilities		20,512,058	15,364,703	19,265,898
Total equity and liabilities		91,986,036	89,868,222	88,816,246

The accompanying notes from pages 7 to 16 form an integral part of the interim condensed consolidated financial information.

Ali A. Al-Omar
Chairman

KUWAIT PORTLAND CEMENT CO.
KPCC

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 2022

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
	KD	KD	KD	KD
Revenues				
Sales	20,855,240	20,541,698	53,769,117	34,298,865
Cost of sales	(20,799,895)	(19,346,381)	(52,715,904)	(32,305,294)
Gross profit	55,345	1,195,317	1,053,213	1,993,571
Unrealized (losses) / profits from financial assets at fair value through profit or loss	(1,761,636)	1,226,862	567,152	1,975,458
Profit from sale of financial assets at fair value through profit or loss	191,314	548,667	315,740	507,187
Share of associate's business results	19,568	-	(183,107)	-
Interest income	1,183	306	1,183	546
Dividends income	1,213,883	789,454	1,213,883	822,251
Loss from foreign exchange	2,364	(4,425)	2,364	(7,265)
Other revenues	424,056	389,129	1,015,985	694,218
Total revenues	146,077	4,145,310	3,986,413	5,985,966
Expenses and other charges				
General and administrative expenses	(351,117)	(424,198)	(909,952)	(728,602)
Distribution expenses	(118,586)	(82,480)	(247,217)	(165,873)
Provision for doubtful debts no longer required	750,000	-	-	-
Profit for the period before KFAS, NLST, Zakat and Directors' remuneration	426,374	3,638,632	2,829,244	5,091,491
Contribution to Kuwait Foundation for the Advancement of Sciences	(4,068)	(36,386)	(28,097)	(50,915)
National Labour Support Tax	30,362	(35,937)	(71,608)	(72,796)
Zakat	12,145	(14,374)	(28,643)	(29,118)
Board of Directors' remuneration	(65,000)	(65,000)	(130,000)	(130,000)
Net profit for the period	399,813	3,486,935	2,570,896	4,808,662
Basic earnings per share (Note 7)	3.99	34.79	25.65	47.98

The accompanying notes from pages 7 to 16 form an integral part of the interim condensed consolidated financial information.

KUWAIT PORTLAND CEMENT CO.

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 six month period ended 30 June 2022

	Three months ended 30 June		Six months ended 30 June	
	2022	**2021**	**2022**	**2021**
	KD	KD	KD	KD
Profit for the period	399,813	3,486,935	2,570,896	4,808,662
Items of other comprehensive (loss) / income:				
Items that can not be reclassified subsequently in the interim condensed consolidated statement of profit or loss:				
Change in fair value of financial assets at fair value through other comprehensive income	(4,421,293)	2,709,956	1,343,113	880,741
Other comprehensive (loss) / income for the period	(4,421,293)	2,709,956	1,343,113	880,741
Total comprehensive (loss)/income for the period	(4,021,480)	6,196,891	3,914,009	5,689,403

The accompanying notes from pages 7 to 16 form an integral part of the 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 six month period ended 30 June 2022

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	General reserve KD	Treasury shares reserve KD	Change in fair value reserve KD	Retained earnings KD	Total equity KD
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	-	-	-	-	-	-	(4,008,878)	(4,008,878)
Balance as at 30 June 2021	10,022,196	10,022,196	10,022,196	2,500,000	544,943	12,030,555	24,408,262	69,550,348
Balance as at 31 December 2021	10,022,196	10,022,196	10,022,196	2,500,000	544,943	14,764,346	26,627,642	74,503,519
Total comprehensive income for the period	-	-	-	-	-	1,343,113	2,570,896	3,914,009
Transferred to retained earnings due to sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	68,559	(68,559)	-
Realized profit on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	71,940	71,940
Cash dividends (Note 12)	-	-	-	-	-	-	(7,015,490)	(7,015,490)
Balance as at 30 June 2022	10,022,196	10,022,196	10,022,196	2,500,000	544,943	16,176,018	22,186,429	71,473,978

The accompanying notes from pages 7 to 16 form an integral part of the interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the six month period ended 30 June 2022

	Six months ended 30 June	
	2022	**2021**
	KD	KD
Operating activities		
Net profit for the period	2,570,896	4,808,662
Adjustments to:		
Depreciation	675,174	470,204
Unrealized profit from financial assets at fair value through profit or loss	(567,152)	(1,975,458)
Profit from sale of assets at fair value through profit or loss	(315,740)	(507,187)
Share of associate's business results	183,107	-
Dividends income	(1,213,883)	(822,251)
Provision for employees' end of service indemnity	1,276,764	127,389
	2,609,166	2,101,359
Movements in working capital:		
Trade and other receivables	(1,939,283)	(947,879)
Inventory	(662,004)	(5,803,449)
Trade and other payables	3,666,581	5,696,429
Cash from operations	3,674,460	1,046,460
Payment of employees' end of service indemnity provision	(8,224)	(46,953)
Net cash from operating activities	3,666,236	999,507
Investing activities		
Paid for purchase of property, machinery and equipment	(372,844)	(1,898,974)
Financial assets at fair value through other comprehensive income	22,262	-
Financial assets at fair value through profit or loss	2,122,960	(8,359,123)
Dividends income received	1,213,883	822,251
Net cash from / (used in) investing activities	2,986,261	(9,435,846)
Financing activities		
Dividends payments	(6,803,256)	(3,865,306)
Net cash used in financing activities	(6,803,256)	(3,865,306)
Net decrease in cash and cash equivalents	(150,759)	(12,301,645)
Cash and cash equivalents at beginning of the period	7,606,001	17,370,498
Cash and cash equivalents at the end of the period	7,455,242	5,068,853

The accompanying notes from pages 7 to 16 form an integral part of the interim condensed consolidated financial information.

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 16 May 2022 to amend number of board members to become 10 members instead of 9 members and to add a new article on allowing the Parent Company to practice the following new activity:

Recycling of solid building materials and any other materials related to building materials and waste.

Registration of such amendment in the commercial register under number 24170 was done at 6 June 2022.

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.
- Utilizing the financial surpluses of the Parent Company by investing them in portfolios by specialized companies and entities.
- 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.
- 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.
- Recycling of solid building materials and any other materials related to building materials and waste.

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 2022 were authorized for issue by the Parent Company's board of directors on 10 August 2022.

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.

2. Basis of preparation (Continued)

Operating results for the six month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further information, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2021.

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

New standards, interpretations, and amendment adopted

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that was issued but not yet effective.

Several amendments are applied for the first time in 2022, but they do not have an impact on the interim condensed consolidated financial information of the Group.

Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract
An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, certain other directly related costs have been included by the Group in determining the costs of fulfilling the contracts. The Group has therefore recognised an onerous contract provision, which remained unchanged as of 30 June 2022 as the Group had not yet fulfilled its obligations under the contract.

In accordance with the transitional provisions, the Group applies the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application) and has not restated its comparative information.

2. Basis of preparation (Continued)

New standards, interpretations, and amendment adopted (Continued)

Reference to the Conceptual Framework - Amendments to IFRS 3
The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets and contingent liabilities within the scope of these amendments arisen during the period.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in the statement of profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

IFRS 1: First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the Group's consolidated financial statements, based on the Parent Company's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the Parent Company acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

2. Basis of preparation (Continued)

New standards, interpretations, and amendment adopted (Continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

IAS 41 "Agriculture" - Taxation in fair value measurements
The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the consolidated financial statements.

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.

3. Use of judgements and estimates (Continued)

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 10.

4. Financial assets at fair value through other comprehensive income

	30 June 2022 KD	(Audited) 31 December 2021	30 June 2021 KD
Quoted financial assets	30,261,638	28,791,558	16,706,310
Unquoted financial assets	100,000	177,289	177,289
	30,361,638	28,968,847	16,883,599

5. Financial assets at fair value through profit or loss

	30 June 2022 KD	(Audited) 31 December 2021	30 June 2021 KD
Local quoted financial assets	10,675,271	11,922,103	26,834,996
Local unquoted financial assets	3,059,000	3,059,000	-
Foreign quoted financial assets	17,558	10,794	77,672
Foreign unquoted financial assets	55,747	55,747	-
	13,807,576	15,047,644	26,912,668

6. Trade and other payables

	30 June 2022 KD	(Audited) 31 December 2021 KD	30 June 2021 KD
Trade payables	11,018,472	6,683,419	10,562,589
Accrued expenses	875,915	1,196,995	1,657,840
Accrued leaves	737,644	680,807	638,123
Contribution to Kuwait Foundation for the Advancement of Sciences	28,097	76,906	64,878
National Labour Support Tax	71,608	232,622	139,064
Zakat	28,643	93,049	52,026
Board of Directors' remuneration	130,000	260,000	130,000
	12,890,379	9,223,798	13,244,520

7. 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:

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
Loss for the period (KD)	399,813	3,486,935	2,570,896	4,808,662
Weighted average number of outstanding shares (shares)	100,221,960	100,221,960	100,221,960	100,221,960
Basic earnings per share (fils)	3.99	34.79	25.65	47.98

8. 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:

	Three months ended 30 June		Six months ended 30 June	
	2022 KD	2021 KD	2022 KD	2021 KD
Interim condensed consolidated statement of profit or loss:				
Staff and executive managers:				
Salaries and other benefits	185,038	165,677	370,076	331,354
Directors' remuneration	65,000	65,000	130,000	130,000

9. 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.

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

	Revenues from operating segments		**Net profit of operating segments**	
	Six months ended 30 June		**Six months ended 30 June**	
	2022	**2021**	**2022**	**2021**
	KD	KD	KD	KD
Cement, steel, aggregate and ready mix	53,769,117	34,298,865	1,053,213	1,993,571
Investments	-	-	1,917,215	3,298,177
Total for operations	53,769,117	34,298,865	2,970,428	5,291,748
Unallocated income			1,015,985	694,218
General and administrative expenses			(909,952)	(728,602)
Distribution expenses			(247,217)	(165,873)
Contribution to Kuwait Foundation for the Advancement of Sciences			(28,097)	(50,915)
National Labour Support Tax			(71,608)	(72,796)
Zakat			(28,643)	(29,118)
Directors' remuneration			(130,000)	(130,000)
Net profit for the period			2,570,896	4,808,662

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

	30 June 2022	**(Audited) 31 December 2021**	**30 June 2021**
	KD	KD	KD
Assets			
Cement, steel, aggregate and ready mix	44,239,911	42,091,713	45,019,979
Investments	47,746,125	47,776,509	43,796,267
	91,986,036	89,868,222	88,816,246

9. Segment information (Continued)

	30 June 2022	(Audited) 31 December 2021	30 June 2021
	KD	KD	KD
Liabilities			
Cement, steel, aggregate and ready mix	19,535,545	14,600,424	18,378,319
Unallocated	976,513	764,279	887,579
	20,512,058	15,364,703	19,265,898

10. 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 2022	Level 1	Level 3	Total
	KD	KD	KD
Financial assets at fair value through profit or loss			
Quoted equities	10,692,829	-	10,692,829
Unquoted equities	-	3,114,747	3,114,747
Financial assets at fair value through other comprehensive income			
Quoted equities	30,261,638	-	30,261,638
Unquoted equities	-	100,000	100,000

10. Fair value measurement (Continued)

31 December 2021	**Level 1**	**Level 3**	**Total**
	KD	KD	KD
Financial assets at fair value through profit or loss			
Quoted equities	11,932,897	-	11,932,897
Unquoted equities	-	3,114,747	3,114,747
Financial assets at fair value through other comprehensive income			
Quoted equities	28,791,558	-	28,791,558
Unquoted equities	-	177,289	177,289

30 June 2021	**Level 1**	**Level 3**	**Total**
	KD	KD	KD
Financial assets at fair value through profit or loss			
Quoted equities	26,834,996	-	26,834,996
Unquoted equities	-	77,672	77,672
Financial assets at fair value through other comprehensive income			
Quoted equities	16,706,310	-	16,706,310
Unquoted equities	-	177,289	177,289

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.

11. Contingent liabilities

	30 June 2022	(Audited) 31 December 2021	30 June 2021
	KD	KD	KD
Letters of guarantee	43,386,633	43,386,633	43,386,633

12. General Assembly of Shareholders

Ordinary General Assembly of Shareholders:
On 16 May 2022, the General Assembly of Shareholders was held and approved the consolidated financial statements for the financial year ended 31 December 2021 and approved distribution of cash dividends at 70% of the share capital (70 fils per share) with total amount of KD 7,015,490 to the shareholders registered as of the maturity date on 31 May 2022 for the financial year ended 31 December 2021.

Extraordinary General Assembly of Shareholders:
As at 16 May 2022, the extraordinary general assembly of shareholders has been held and took the following actions:

a- Approved amendment of article 14 of the Articles of Association to increase board members to 10 members instead of 9 members.
b- Approved amendment of the fifth article of Memorandum of Incorporation and fourth article of Articles of Association related to the Company's activities.

Registration of such amendments in the commercial register was done on 6 June 2022.

13. 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 profit for the period or equity.