

**MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
Mubarrad Holding Company - K.S.C.P. and its subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company - K.S.C.P. (the "Parent Company") and its subsidiaries (Collectively the "Group") as at September 30, 2021, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three months and nine months periods then ended, changes in equity, and cash flows for the nine months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 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.

Report on other Legal and Regulatory Requirements


Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, its Executive Regulations as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the nine months period ended September 30, 2021 that might have had a material effect on the Parent Company's financial position or result of its operations.

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We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010 and its Executive Regulations, as amended, relating to the Capital Markets Authority and its related regulations during the period ended September 30, 2021 that might have had a material effect on the Parent Company's financial position or results of its operations.

State of Kuwait
November 11, 2021

A handwritten signature in blue ink, consisting of a stylized, cursive script.

Dr. Shuaib A. Shuaib
License No. 33-A
RSM Albazie & Co.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	<u>Notes</u>	<u>September 30, 2021</u>	<u>December 31, 2020 (Audited)</u>	<u>September 30, 2020</u>
Current assets:				
Cash and cash equivalents	3	2,580,017	1,298,691	1,799,143
Term deposits	4	1,806,100	1,000,000	1,000,000
Accounts receivable and other debit balances	5	784,720	2,235,046	877,757
Due from a related party	7	13,857	-	19,716
Inventories		16,796	18,022	674,136
Total current assets		5,201,490	4,551,759	4,370,752
Non-current assets:				
Financial assets at fair value through profit or loss		894,459	894,459	895,163
Advance payment for purchase of investment property	6	1,550,000	-	-
Investment in associate	8	3,716,932	3,587,040	3,800,284
Investment properties	9	12,642,938	14,062,354	14,097,491
Property, plant and equipment		65,041	88,514	1,232,730
Goodwill		91,005	91,005	91,005
Total non-current assets		18,960,375	18,723,372	20,116,673
Total assets		24,161,865	23,275,131	24,487,425
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Lease liabilities	10	1,667,569	1,828,791	2,272,159
Accounts payable and other credit balances		806,755	1,168,752	1,466,044
Due to a related party	7	655	655	655
Total current liabilities		2,474,979	2,998,198	3,738,858
Non-current liabilities:				
Provision for end of service indemnity		325,599	327,490	465,932
Total non-current liabilities		325,599	327,490	465,932
Total liabilities		2,800,578	3,325,688	4,204,790
Equity:				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,064,855	1,064,855	1,064,121
Treasury shares		-	(671)	(671)
Treasury shares reserve		84,733	84,388	84,388
Other components of equity		(3,594)	(3,594)	(3,594)
Effect of changes in other comprehensive income of associate		117,874	117,874	117,874
Foreign currencies translation reserve		(1,442,365)	(1,411,873)	(1,339,069)
Retained earnings		5,118,725	3,677,433	3,936,730
Equity attributable to Shareholders of the Parent Company		21,309,505	19,897,689	20,229,056
Non-controlling interests		51,782	51,754	53,579
Total equity		21,361,287	19,949,443	20,282,635
Total liabilities and equity		24,161,865	23,275,131	24,487,425

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

Saad Bender Allafi
Vice Chairman and CEO

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2021	2020 (*)	2021	2020 (*)
Continuing operations:					
Revenues from transportation, leasing and maintenance operations		9,600	33,917	34,085	136,784
Cost of transportation, leasing and maintenance operations		(22,038)	(34,972)	(69,032)	(182,504)
Gross loss		(12,438)	(1,055)	(34,947)	(45,720)
Rental revenues		426,329	392,713	1,297,446	989,028
Rental costs		(69,068)	(58,770)	(197,699)	(170,995)
Gross profit		357,261	333,943	1,099,747	818,033
Total gross profit		344,823	332,888	1,064,800	772,313
General and administrative expenses		(153,644)	(118,759)	(433,816)	(356,252)
Allowance for expected credit losses no longer required		-	9,952	-	-
Operating profit		191,179	224,081	630,984	416,061
Group's share of results from associate	8	67,239	11,666	234,584	16,773
Gain on sale of property, plant and equipment		12,800	-	24,050	52,230
Gain on sale of investment property	9	500,000	-	500,000	-
Bank deposits return income		23,048	9,859	41,604	35,723
Finance charges		(16,325)	(28,867)	(48,889)	(99,124)
Foreign currencies exchange differences		(152)	9,208	1,019	10,340
Tax provision no longer required	13	(391)	-	57,741	-
Other income		382	4,920	65,775	5,833
Profit for the period from continuing operations before discontinued operations and contributions to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST), and Zakat		777,780	230,867	1,506,868	437,836
Discontinued operations:					
Loss for the period from discontinued operations	12	-	(20,198)	-	(161,786)
Profit for the period before contribution to KFAS, NLST, and Zakat		777,780	210,669	1,506,868	276,050
Contribution to KFAS		(8,344)	(1,893)	(15,054)	(2,484)
Contribution to NLST		(19,463)	(3,719)	(36,067)	(7,413)
Contribution to Zakat		(7,786)	(1,487)	(14,427)	(2,965)
Profit for the period		742,187	203,570	1,441,320	263,188
Attributable to:					
Shareholders of the Parent Company		742,164	203,235	1,441,292	263,183
Non-controlling interests		23	335	28	5
		742,187	203,570	1,441,320	263,188
Basic earnings per share attributable to Shareholders of the Parent Company					
		Fils	Fils	Fils	Fils
Basic earnings per share from continuing operations	11	4.53	1.36	8.81	2.6
Basic loss per share from discontinued operations	11	-	(0.12)	-	(0.99)
Basic earnings per share attributable to Shareholders of the Parent Company	11	4.53	1.24	8.81	1.61

(*) Certain figures for the comparative period ended September 30, 2020 have been reclassified to discontinued operations (Note 12).

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Nine months ended September 30,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit for the period	<u>742,187</u>	<u>203,570</u>	<u>1,441,320</u>	<u>263,188</u>
Other comprehensive income (loss):				
<u>Item that may be reclassified subsequently to the</u> <u>interim condensed consolidated statement of</u> <u>profit or loss:</u>				
Exchange differences on translating foreign operations	<u>3,752</u>	<u>38,791</u>	<u>(30,492)</u>	<u>119,152</u>
Other comprehensive income (loss) for the period	<u>3,752</u>	<u>38,791</u>	<u>(30,492)</u>	<u>119,152</u>
Total comprehensive income for the period	<u>745,939</u>	<u>242,361</u>	<u>1,410,828</u>	<u>382,340</u>
Attributable to:				
Shareholders of the Parent Company	<u>745,916</u>	<u>242,026</u>	<u>1,410,800</u>	<u>382,335</u>
Non-controlling interests	<u>23</u>	<u>335</u>	<u>28</u>	<u>5</u>
	<u>745,939</u>	<u>242,361</u>	<u>1,410,828</u>	<u>382,340</u>

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company										
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Other components of equity	Effect of changes in other comprehensive income of associate	Foreign currencies translation reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
Balance as at January 1, 2021	16,369,277	1,064,855	(671)	84,388	(3,594)	117,874	(1,411,873)	3,677,433	19,897,689	51,754	19,949,443
Profit for the period	-	-	-	-	-	-	-	1,441,292	1,441,292	28	1,441,320
Other comprehensive loss for the period	-	-	-	-	-	-	(30,492)	-	(30,492)	-	(30,492)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(30,492)	1,441,292	1,410,800	28	1,410,828
Sale of treasury shares	-	-	671	345	-	-	-	-	1,016	-	1,016
Balance as at September 30, 2021	16,369,277	1,064,855	-	84,733	(3,594)	117,874	(1,442,365)	5,118,725	21,309,505	51,782	21,361,287
Balance as at January 1, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,458,221)	4,491,956	20,665,130	56,218	20,721,348
Profit for the period	-	-	-	-	-	-	-	263,183	263,183	5	263,188
Other comprehensive income for the period	-	-	-	-	-	-	119,152	-	119,152	-	119,152
Total comprehensive income for the period	-	-	-	-	-	-	119,152	263,183	382,335	5	382,340
Cash dividends 5% (Note 14)	-	-	-	-	-	-	-	(818,409)	(818,409)	-	(818,409)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,644)	(2,644)
Balance as at September 30, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,339,069)	3,936,730	20,229,056	53,579	20,282,635

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
(All amounts are in Kuwaiti Dinars)

	Notes	Nine months ended September 30,	
		2021	2020
Cash flows from operating activities:			
Profit for the period from continuing operations		1,506,868	437,836
Loss for the period from discontinued operations	12	-	(161,786)
Profit for the period before contributions to KFAS, NLST and Zakat		1,506,868	276,050
Adjustments for:			
Depreciation		-	45,203
Allowance for expected credit losses		-	45,173
Group's share of results from associate	8	(234,584)	(16,773)
Gain on sale of property, plant and equipment		(24,050)	(52,230)
Gain on sale of investment property	9	(500,000)	-
Bank deposits return income		(41,604)	(35,723)
Finance charges		48,889	99,741
Tax provision no longer required	13	(57,741)	-
Provision for end of service indemnity		32,666	45,992
		730,444	407,433
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		1,456,864	216,367
Net movement in related parties		(15,374)	(27,014)
Inventories		1,226	(68,819)
Accounts payable and other credit balances		(35,983)	134,479
Cash flows generated from operations		2,137,177	662,446
Payment for end of service indemnity		(34,557)	(67,431)
Payment to KFAS		-	(9,714)
Payment of NLST		-	(27,969)
Payment of Zakat		-	(11,222)
Payment of Board of Directors' remuneration	14	-	(30,000)
Net cash flows generated from operating activities		2,102,620	516,110
Cash flows from investing activities:			
Net movement in term deposits		(806,100)	(1,000,000)
Paid for purchase of property, plant and equipment		-	(9,950)
Proceeds from the sale of property, plant and equipment		47,523	276,230
Proceeds from sale of investment property	9	1,900,000	-
Advance payment for purchase of investment property	6	(1,550,000)	-
Paid for purchase of financial assets at fair value through profit or loss		-	(7,274)
Cash dividends received from associate	8	92,023	-
Bank deposits return income received		35,066	35,723
Net cash flows used in investing activities		(281,488)	(705,271)
Cash flows from financing activities:			
Proceeds from the sale of treasury shares		1,016	-
Payment of lease liabilities		(161,222)	(201,314)
Cash dividends paid		(333,820)	(767,811)
Finance charges paid		(48,889)	(61,920)
Net cash flows used in financing activities		(542,915)	(1,031,045)
Foreign currencies translation adjustments		3,109	(2,712)
Net increase (decrease) in cash and cash equivalents		1,281,326	(1,222,918)
Cash and cash equivalents at the beginning of the period		1,298,691	3,022,061
Cash and cash equivalents at the end of the period	3	2,580,017	1,799,143

The accompanying notes from (1) to (17) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of Parent Company

Mubarrad Holding Company “the Parent Company” is a Kuwaiti Public Shareholding Company registered in State of Kuwait and was incorporated pursuant to memorandum of Incorporation of a limited liability Company, authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department – under No. 366/Volume 1 dated March 6, 1996 and its subsequent amendments, the latest of which was notarized in the Parent Company’s commercial registration on December 4, 2017.

The main activities for which the Parent Company was incorporated are as follows:

- Managing the Parent Company’s subsidiaries and participating in managing other companies in which it holds ownership stakes and providing necessary support thereto.
- Investing funds through trading in shares, bonds, and other financial securities.
- Acquisition of properties and movables necessary to carry out business activities as allowable by the Law.
- Financing and extending loans to investee companies and providing guarantees to third parties, provided that the ownership of the Parent Company is not less than 20% in the capital of the lending company.
- Acquisition of industrial rights and related intellectual properties, trademarks, industrial models, franchises and other rights, and renting such properties and rights to subsidiaries and other companies, inside State of Kuwait or abroad.

The Parent Company is registered in the commercial register under Ref. No. 64715 on October 10, 2004.

The registered address of the Parent Company’s office is Old Khaitan, Block 29, Street 22, State of Kuwait.

The Parent Company is 39.152% owned by A’ayan Leasing and Investment Group K.S.C. (Public) (“The Ultimate Parent Company”).

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on November 11, 2021.

2. Basis of presentation

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Parent company.

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2020 except for the change in accounting policies due to adoption of new standards. The Group has not early adopted any standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in January 1, 2021, do not have a material impact on the accompanying interim condensed consolidated financial information of the Group.

The accompanying interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended September 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2020.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

3. Cash and cash equivalents

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Cash on hand and at banks	1,580,017	1,298,691	1,799,143
Short term bank deposit	1,000,000	-	-
	2,580,017	1,298,691	1,799,143

The effective rate of return on short term bank deposit is 1.45% per annum, this deposit has an average contractual maturity period of three months, and it's denominated in Kuwaiti Dinars.

4. Term deposits

The rate of return on term deposits denominated in Kuwaiti Dinar is 1.7% per annum and on term deposits denominated in the Egyptian Pound is 7.5% per annum (December 31, 2020: 1.3% per annum, September 30, 2020: from 3.25% to 3.5% per annum); these deposits have an average contractual maturity period ranging from four to six months (December 31, 2020: six months, September 30, 2020: six months), and it's denominated in the following currencies:

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Kuwaiti Dinar	1,500,000	1,000,000	1,000,000
Egyptian Pound	306,100	-	-
	1,806,100	1,000,000	1,000,000

5. Accounts receivable and other debit balances

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Trade receivables	1,812,175	1,892,769	2,245,516
Less: Allowance for expected credit losses	(1,560,991)	(1,560,991)	(1,596,681)
	251,184	331,778	648,835
Staff receivables	23,949	27,198	33,278
Less: Allowance for expected credit losses	(6,618)	(6,618)	(6,618)
	17,331	20,580	26,660
Receivable from sale of subsidiary (a)	250,000	1,700,000	-
Prepaid expenses	98,563	26,000	59,777
Refundable deposits	64,500	64,500	67,790
Accrued income	67,703	4,370	20,109
Other receivables	35,439	87,818	54,586
	784,720	2,235,046	877,757

(a) The balance represents the remaining amount due from the sale of one of the Group's subsidiaries – Batic Manufacturing Company – W.L.L. of which KD 125,000 has been subsequently collected to the accompanying interim condensed consolidated financial information and the final payment of KD 125,000 is due on December 31, 2021, in accordance with the sale agreement signed on December 9, 2020.

6. Advance payment for purchase of investment property

On September 9, 2021, Management of the Parent Company entered into an agreement for purchase of a right of utilization of Plot No. (105), located in Al-Rai, for a total area of 988 square meters, for an amount of KD 1,550,000, paid in cash during the period ended September 30, 2021, and recognized as an advance payment for purchase of investment property until the title deed is transferred to the name of the Parent Company at the Public Authority for Industry.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2021

(All amounts are in Kuwaiti Dinars)

Subsequent to the date of the interim condensed consolidated statement of financial position, the purchase process was completed through transferring the title deed of the property to the Parent Company at the Public Authority for Industry.

7. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, board of directors, key management personnel, associate, entities under common control and other related parties. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

			Total		
	Major shareholders	Other related parties	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Due from a related party	13,857	-	13,857	-	19,716
Investment property (real estate portfolio managed by a related party)	2,560,000	-	2,560,000	2,560,000	2,560,000
Financial assets at fair value through profit or loss	-	292,486	292,486	292,486	290,705
Due to a related party	(655)	-	(655)	(655)	(655)

Compensation to key management personnel

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Short term benefits	20,617	30,491	61,767	90,534
Termination benefits	2,617	3,491	7,767	10,396
	<u>23,234</u>	<u>33,982</u>	<u>69,534</u>	<u>100,930</u>

8. Investment in associate

Movement during the period / year is as follows:

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Balance at the beginning of the period / year	3,587,040	3,784,469	3,784,469
Group's share of results from associate	234,584	(155,793)	16,773
Cash dividends received	(92,023)	-	-
Foreign currency translation adjustments	(12,669)	(41,636)	(958)
Balance at the end of the period / year	<u>3,716,932</u>	<u>3,587,040</u>	<u>3,800,284</u>

9. Investment properties

Movement during the period / year is as follows:

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Balance at the beginning of the period / year	14,062,354	13,967,371	13,967,371
Disposals	(1,400,000)	-	-
Foreign currency translation adjustments	(19,416)	94,983	130,120
Balance at the end of the period / year	<u>12,642,938</u>	<u>14,062,354</u>	<u>14,097,491</u>

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
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(All amounts are in Kuwaiti Dinars)

During the period ended September 30, 2021, the Group's management sold an investment property with a carrying value of KD 1,400,000 for a cash consideration of KD 1,900,000, collected during the period ended September 30, 2021. The sale resulted in a gain of KD 500,000 recognized in the interim condensed consolidated statement of profit or loss of the current period.

10. Lease liabilities

	September 30, 2021	December 31, 2020 (Audited)	September 30, 2020
Gross amount of lease liabilities	1,683,894	1,828,791	2,294,238
Less: Unamortized future finance charges	(16,325)	-	(22,079)
Present value of lease liabilities	1,667,569	1,828,791	2,272,159

The Parent Company renewed a lease agreement which contains a bargain purchase option with a local bank, to finance the purchase of a right of utilization of an industrial plot, located at third Shuwaikh Industrial Area, Block (D), Plot No. (165), for annual rental payments due on December 31, 2021 with a bargain purchase option upon settlement of the contractual payments. The finance lease agreement is renewed annually until the full settlement of the finance lease liability. The leased asset is registered under the name of the lending bank until the settlement of all contractual payments.

11. Basic earnings per share attributable to shareholders of the Parent Company

There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months period ended September 30,		Nine months period ended September 30,	
	2021	2020	2021	2020
Profit for the period attributable to Shareholders of the Parent Company from continuing operations	742,164	223,433	1,441,292	424,969
Loss for the period attributable to Shareholders of the Parent Company from discontinued operations (Note 12)	-	(20,198)	-	(161,786)
Profit for the period attributable to Shareholders of the Parent Company	742,164	203,235	1,441,292	263,183
	Shares	Shares	Shares	Shares
Number of outstanding shares	163,692,769	163,692,769	163,692,769	163,692,769
Less: Weighted average number of treasury shares	-	(10,996)	(4,388)	(10,996)
Weighted average number of outstanding shares	163,692,769	163,681,773	163,688,381	163,681,773
	Fils	Fils	Fils	Fils
Basic earnings per share from continuing operations	4.53	1.36	8.81	2.6
Basic loss per share from discontinued operations	-	(0.12)	-	(0.99)
Basic earnings per share attributable to Shareholders of the Parent Company	4.53	1.24	8.81	1.61

12. Discontinued operations

During the year ended December 31, 2020, the Parent Company's management sold its subsidiary – Batic Manufacturing Company – W.L.L. which was fully owned by the Parent Company. Accordingly, the results of the subsidiary for the three months and nine months periods ended September 30, 2020 amounted to KD 20,198 and KD 161,786 respectively have been reclassified as discontinued operations in the interim condensed consolidated statement of profit or loss.

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13. Tax provision no longer required

During the period ended September 30, 2021, the Group's Management reversed tax provision of KD 57,741 (equivalent to EGP 3,020,223) recognized in the year ended December 31, 2020 against operating results of a subsidiary in Arab Republic of Egypt. The tax provision has been reversed in the interim condensed consolidated statement of profit or loss for the current period, as upon preparation of the subsidiary's tax return, the Group's management has identified no taxable profit on which tax could be calculated for the year ended December 31, 2020.

14. Shareholders' Annual Ordinary General Assembly

The Shareholders' Annual Ordinary General Assembly held on March 22, 2021 approved the consolidated financial statements for the year ended December 31, 2020, and approved the Board of Directors' recommendation not to distribute cash dividends, bonus shares, or remuneration to the Board of Directors for the year ended December 31, 2020.

The Shareholders' Annual Ordinary General Assembly held on September 24, 2020, approved the consolidated financial statements for the year ended December 31, 2019, and approved the distribution of 5% cash dividends, equivalent to 5 fils per share for a total amount of KD 818,409 and Board of Directors' remuneration of KD 30,000.

15. Segment information

For management purposes, the following activities were classified as operating segments:

Operating activity	Description
Transportation, leasing and maintenance segment	Represents goods transport, lease and charter means of transportation and maintenance of other vehicles
Investment segment	Represents financial assets at fair value through profit or loss, investment in associate, and investment properties

Information related to each reportable operating segments is set out below:

Nine months period ended September 30, 2021				
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenues	69,897	-	2,186,407	2,256,304
Total costs	(105,921)	-	(709,063)	(814,984)
(Loss) profit for the period	(36,024)	-	1,477,344	1,441,320

Nine months period ended September 30, 2020				
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Total
Total revenues	211,588	508,480	1,035,123	1,755,191
Total costs	(271,794)	(670,266)	(549,943)	(1,492,003)
(Loss) profit for the period	(60,206)	(161,786)	485,180	263,188

September 30, 2021				
	Transportation, leasing and maintenance segment	Investment segment	Eliminations	Total
Total segments assets	2,717,524	30,340,304	(8,895,963)	24,161,865
Total segments liabilities	(82,880)	(4,701,814)	1,984,116	(2,800,578)

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	December 31, 2020 (Audited)			
	Transportation, leasing and maintenance segment	Investment segment	Eliminations	Total
Total segments assets	2,957,417	29,088,904	(8,771,190)	23,275,131
Total segments liabilities	(324,173)	(5,933,749)	2,932,234	(3,325,688)

	September 30, 2020				
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Eliminations	Total
Total segments assets	3,075,287	2,132,902	29,883,219	(10,603,983)	24,487,425
Total segments liabilities	(350,734)	(595,070)	(6,299,490)	3,040,504	(4,204,790)

(*) Related to the disposed subsidiary – Batic Manufacturing Company – W.L.L. as disclosed in Note (12) to the accompanying interim condensed consolidated financial information and Note (7) to the annual consolidated financial statements of the Group for the year ended December 31, 2020.

Information related to geographical locations is set out below:

	Nine months period ended September 30, 2021				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Total revenues	2,825,350	518,506	3,343,856	(1,087,552)	2,256,304
Total segment assets	28,629,706	4,428,122	33,057,828	(8,895,963)	24,161,865
Total segment liabilities	(3,617,862)	(1,166,832)	(4,784,694)	1,984,116	(2,800,578)

	Nine months period ended September 30, 2020				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Total revenues	1,569,534	445,959	2,015,493	(260,302)	1,755,191
Total segment assets	30,761,412	4,329,996	35,091,408	(10,603,983)	24,487,425
Total segment liabilities	(5,731,223)	(1,514,071)	(7,245,294)	3,040,504	(4,204,790)

16. Fair value measurement

The Group measures its financial assets at fair value through profit or loss and investment properties at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial assets at fair value through profit or loss and investment properties measured at fair value, by level of fair value hierarchy:

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,247	465,968	427,244	894,459
Investment properties	-	3,832,938	8,810,000	12,642,938
Total	1,247	4,298,906	9,237,244	13,537,397
	December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,247	465,968	427,244	894,459
Investment properties	-	3,852,354	10,210,000	14,062,354
Total	1,247	4,318,322	10,637,244	14,956,813
	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,746	464,193	429,224	895,163
Investment properties	-	10,137,491	3,960,000	14,097,491
Total	1,746	10,601,684	4,389,224	14,992,654

Management of the Group believes that no significant changes have occurred in fair values of the financial assets at fair value through profit or loss and investment properties during the nine months period ended September 30, 2021.

17. Risk management and COVID -19

The recent outbreak of the coronavirus ("COVID-19") across various geographies globally, which was declared a pandemic by the World Health Organization on March 11, 2020, has caused disruption to business and economic activities. The fiscal and monetary authorities around the world, including Kuwait, have announced various support measures across the globe to counter the possible adverse implications of COVID-19. The Group has taken several measures to manage its risk associated with the pandemic, including identification of the most vulnerable sectors primarily affected and placing added measures to ensure a high level of scrutiny. The uncertainties caused by COVID-19 required the Group to consider the impact of volatility in the forward-looking macro-economic factors in order to manage the credit risk and liquidity risk and to determine the impact of COVID-19 consequences on the fair value measurement of financial and non-financial instruments in order to reflect that impact in the consolidated financial statements since the pandemic outbreak and till the accompanying interim condensed consolidated financial information date.

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The Group has performed an assessment on its ability to continue as a going concern considering current economic conditions and all available information about future risks and uncertainties. The projections have been prepared to cover the Group's future performance, capital, and liquidity requirements. The impact of COVID-19 may continue to evolve, but currently, the projections show that the Group has the required resources to continue in operations on a going concern, such position that remains significantly unaffected and unchanged since December 31, 2020. As a result, that interim condensed consolidated financial information has been prepared on a going concern basis.

The Group had concluded that no material adjustments are required for liabilities and other assets as of the date of the accompanying interim condensed consolidated financial information. The management will need to carefully consider the measurement and recognition requirements for impairment losses on the Group's assets in the future, as the extent and duration of the economic impact of those events remains uncertain, since it depends on future developments that cannot be accurately predicted at this time, such as the rate of virus spread, the effectiveness of the containment measures taken and the trends and effectiveness of approved vaccinations by governmental authorities across the world.

Given the ongoing uncertainty for the related economic impact, a reliable estimate of the impact cannot be currently made, but it may affect financial information in future periods. The impact's magnitude and amount may vary according to the extent and period during which those events are expected to end along with their effects.