

Interim condensed consolidated financial information and review report  
**Gulf Cable and Electrical Industries Company – KPSC**  
**and Subsidiaries**  
**Kuwait**  
30 September 2022 (Unaudited)

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## Report on review of interim condensed consolidated financial information

To the board of directors of  
Gulf Cable and Electrical Industries Company – KPSC  
Kuwait

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Cable and Electrical Industries Company – KPSC (“Parent Company”) and its subsidiaries (“the Group”) as of 30 September 2022 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three-month and nine-month periods then ended and, interim condensed consolidated statement of changes in equity and cash flows for the nine-month period then ended. Management 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 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.

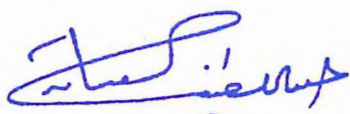
### *Conclusion*

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 review of other legal and regulatory requirements**

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, 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 2022 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-month period ended 30 September 2022 that might have had a material effect on the business or financial position of the Parent Company.



Abdullatif M. Al-Aiban (CPA)  
(Licence No. 94-A)  
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait  
14 November 2022

## Interim condensed consolidated statement of profit or loss

	Notes	Three months ended		Nine months ended	
		30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD
<b>Revenue</b>					
Sales and contracting revenue		25,915,801	18,177,608	71,952,491	45,979,060
Cost of revenue		(22,674,319)	(14,554,012)	(62,155,638)	(36,131,668)
<b>Gross profit</b>		<b>3,241,482</b>	<b>3,623,596</b>	<b>9,796,853</b>	<b>9,847,392</b>
Change in fair value of investments at fair value through profit or loss		(60,262)	-	(70,851)	-
Gain on sale of investments at fair value through profit or loss		-	-	85,629	-
Dividend income		90,500	80,020	6,760,934	1,404,273
Other investment income/(losses)		75,298	6,823	110,032	(33,012)
Share of results of associates and joint venture	7	(536,787)	11,723	3,000,447	58,991
Interest and other income		18,608	865	24,662	11,542
Foreign currency exchange gain		159,928	41,624	378,048	167,247
		<b>2,988,767</b>	<b>3,764,651</b>	<b>20,085,754</b>	<b>11,456,433</b>
<b>Expenses and other charges</b>					
General and administrative expenses		(1,020,748)	(1,354,010)	(3,338,745)	(3,446,424)
Commercial expenses		(621,062)	(385,364)	(2,026,940)	(1,142,416)
Provision charge for doubtful debts (Provision)/reversal of provision charge for slow-moving inventories		(143,665)	(169,423)	(513,176)	(121,657)
		(1,874)	5,027	(107,095)	(24,844)
Finance costs		(496,621)	(114,966)	(1,496,774)	(122,282)
		<b>(2,283,970)</b>	<b>(2,018,736)</b>	<b>(7,482,730)</b>	<b>(4,857,623)</b>
<b>Profit before taxes and Board of Directors' remuneration</b>		<b>704,797</b>	<b>1,745,915</b>	<b>12,603,024</b>	<b>6,598,810</b>
Taxation	5	(90,607)	(186,031)	(938,408)	(451,243)
Board of directors' remuneration		(77,500)	(77,500)	(232,500)	(232,500)
<b>Profit for the period</b>		<b>536,690</b>	<b>1,482,384</b>	<b>11,432,116</b>	<b>5,915,067</b>
<b>Profit for the period attributable to:</b>					
Owners of the Parent Company		536,167	1,451,697	11,424,328	5,864,801
Non-controlling interests		523	30,687	7,788	50,266
		<b>536,690</b>	<b>1,482,384</b>	<b>11,432,116</b>	<b>5,915,067</b>
<b>Basic and diluted earnings per share attributable to the owners of the Parent Company</b>	6	<b>3 Fils</b>	<b>7 Fils</b>	<b>55 Fils</b>	<b>28 Fils</b>



The notes set out on pages 7 to 22 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD
<b>Profit for the period</b>	<b>536,690</b>	<b>1,482,384</b>	<b>11,432,116</b>	<b>5,915,067</b>
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Share of other comprehensive income of associates	38,267	-	71,317	-
Exchange differences arising on translation of foreign operations	124,647	6,330	249,198	(59,312)
	162,914	6,330	320,515	(59,312)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Share of other comprehensive income of associates	(730,673)	-	1,187,450	-
Net change in fair value of investments at FVTOCI	(7,506,339)	19,472,921	(9,241,324)	26,073,563
	(8,237,012)	19,472,921	(8,053,874)	26,073,563
<b>Total other comprehensive (loss)/income</b>	<b>(8,074,098)</b>	<b>19,479,251</b>	<b>(7,733,359)</b>	<b>26,014,251</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(7,537,408)</b>	<b>20,961,635</b>	<b>3,698,757</b>	<b>31,929,318</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>				
Owners of the Parent Company	(7,544,787)	20,930,600	3,677,263	31,882,314
Non-controlling interests	7,379	31,035	21,494	47,004
	(7,537,408)	20,961,635	3,698,757	31,929,318

The notes set out on pages 7 to 22 form an integral part of this interim condensed consolidated financial information.



## Interim condensed consolidated statement of financial position

	Notes	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill		3,603,180	3,603,180	3,603,180
Property, plant and equipment		9,519,648	9,771,992	9,948,541
Right-of-use assets		504,727	612,883	648,935
Investment in associates and joint venture	7	87,400,107	86,168,913	1,162,920
Investments at fair value through other comprehensive income	8	106,085,413	129,097,281	122,094,542
		<b>207,113,075</b>	<b>229,254,249</b>	<b>137,458,118</b>
<b>Current assets</b>				
Inventories	9	47,139,455	35,196,042	42,501,246
Trade accounts receivable	10	29,528,097	31,788,814	31,500,839
Other receivables and prepayments	11	1,885,180	1,134,062	1,333,915
Investments at fair value through profit or loss	12	302,126	-	-
Cash and bank balances	13	7,892,150	18,981,488	10,848,848
		<b>86,747,008</b>	<b>87,100,406</b>	<b>86,184,848</b>
<b>Total assets</b>		<b>293,860,083</b>	<b>316,354,655</b>	<b>223,642,966</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		20,993,131	20,993,131	20,993,131
Share premium		29,160,075	29,160,075	29,160,075
Treasury shares	14	(1,575,622)	(575,724)	(575,724)
Statutory, voluntary and general reserves		70,459,281	70,459,281	68,740,454
Other components of equity	15	60,137,088	82,741,073	73,658,664
Retained earnings		37,975,628	24,227,964	15,190,206
<b>Total equity attributable to the owners of the Parent Company</b>		<b>217,149,581</b>	<b>227,005,800</b>	<b>207,166,806</b>
Non-controlling interests		526,136	504,642	488,802
<b>Total equity</b>		<b>217,675,717</b>	<b>227,510,442</b>	<b>207,655,608</b>
<b>Non-current liabilities</b>				
Provision for employees' end of service benefits		4,554,448	4,410,937	4,177,116
Term loans	16	18,534,495	26,334,495	1,534,495
Islamic financing facilities	17	28,526,316	38,000,000	-
Lease liabilities		286,437	428,888	425,327
		<b>51,901,696</b>	<b>69,174,320</b>	<b>6,136,938</b>
<b>Current liabilities</b>				
Trade accounts payable		7,774,504	2,038,235	2,086,637
Other payables and accruals		8,121,555	9,662,081	6,761,830
Lease liabilities		151,416	151,416	151,416
Term loans - current portion	16	5,800,000	5,818,161	842,401
Islamic financing facilities - current portion	17	1,815,789	2,000,000	-
Due to banks	13	619,406	-	8,136
		<b>24,282,670</b>	<b>19,669,893</b>	<b>9,850,420</b>
<b>Total liabilities</b>		<b>76,184,366</b>	<b>88,844,213</b>	<b>15,987,358</b>
<b>Total equity and liabilities</b>		<b>293,860,083</b>	<b>316,354,655</b>	<b>223,642,966</b>



*Bader Naser Al-Kharafi*  
Vice Chairman

The notes set out on pages 9 to 22 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of changes in equity

	Equity attributable to the owners of the Parent Company							Non-controlling interests	Total
	Share capital KD	Share premium KD	Treasury shares KD	Statutory, voluntary and general reserves KD	Other components of equity KD	Retained earnings KD	Sub-total KD	KD	KD
<b>Balance at 1 January 2022 (Audited)</b>	20,993,131	29,160,075	(575,724)	70,459,281	82,741,073	24,227,964	227,005,800	504,642	227,510,442
Purchase of treasury shares	-	-	(999,898)	-	-	-	(999,898)	-	(999,898)
Cash dividends (Note 18)	-	-	-	-	-	(12,533,584)	(12,533,584)	-	(12,533,584)
<b>Transactions with owners</b>	-	-	(999,898)	-	-	(12,533,584)	(13,533,482)	-	(13,533,482)
Profit for the period	-	-	-	-	-	11,424,328	11,424,328	7,788	11,432,116
Other comprehensive (loss)/income	-	-	-	-	(7,747,065)	-	(7,747,065)	13,706	(7,733,359)
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	-	(7,747,065)	11,424,328	3,677,263	21,494	3,698,757
<b>Gain on sale of investments at FVTOCI</b>	-	-	-	-	(14,856,920)	14,856,920	-	-	-
<b>Balance at 30 September 2022 (Unaudited)</b>	20,993,131	29,160,075	(1,575,622)	70,459,281	60,137,088	37,975,628	217,149,581	526,136	217,675,717
<b>Balance at 1 January 2021 (Audited)</b>	20,993,131	29,160,075	(454,480)	68,740,454	47,981,962	19,437,247	185,858,389	441,798	186,300,187
Purchase of treasury shares	-	-	(121,244)	-	-	-	(121,244)	-	(121,244)
Cash dividends (Note 18)	-	-	-	-	-	(10,452,653)	(10,452,653)	-	(10,452,653)
<b>Transactions with owners</b>	-	-	(121,244)	-	-	(10,452,653)	(10,573,897)	-	(10,573,897)
Profit for the period	-	-	-	-	-	5,864,801	5,864,801	50,266	5,915,067
Other comprehensive income/(loss)	-	-	-	-	26,017,513	-	26,017,513	(3,262)	26,014,251
<b>Total comprehensive income for the period</b>	-	-	-	-	26,017,513	5,864,801	31,882,314	47,004	31,929,318
<b>Gain on sale of investments at FVTOCI</b>	-	-	-	-	(340,811)	340,811	-	-	-
<b>Balance at 30 September 2021 (Unaudited)</b>	20,993,131	29,160,075	(575,724)	68,740,454	73,658,664	15,190,206	207,166,806	488,802	207,655,608

The notes set out on pages 7 to 22 form an integral part of this interim condensed consolidated financial information.

## Interim condensed consolidated statement of cash flows

	Note	Nine months ended 30 Sept. 2022 (Unaudited) KD	Nine months ended 30 Sept. 2021 (Unaudited) KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period		11,432,116	5,915,067
Adjustments:			
Depreciation		1,192,846	1,090,327
Finance costs		1,496,774	122,282
Interest income		(7,011)	(10,366)
Change in fair value of investments at fair value through profit or loss		70,851	-
Dividend income		(6,760,934)	(1,404,273)
Share of results of associates and joint venture		(3,000,447)	(58,991)
Loss on sale/disposal of property, plant and equipment		3,084	11,138
Foreign exchange loss on non-operating liabilities		29,500	-
Provision charge for employees' end of service benefits		380,549	348,383
Provision charge for doubtful debts		513,176	121,657
Provision charge for slow-moving inventories		107,095	24,844
		<b>5,457,599</b>	<b>6,160,068</b>
<b>Changes in operating assets and liabilities:</b>			
Inventories		(12,050,508)	(1,206,405)
Trade accounts receivable		1,805,441	438,112
Other receivables and prepayments		(809,018)	408,940
Investments at fair value through profit or loss		(372,977)	-
Trade accounts payable		5,736,269	181,596
Other payables and accruals		(1,600,964)	(2,156,074)
Employees' end of service benefits paid		(237,038)	(241,034)
<b>Net cash (used in)/from operating activities</b>		<b>(2,071,196)</b>	<b>3,585,203</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiary, net of cash and bank balances		-	(4,522,719)
Purchase of associate and joint venture		(7,587,601)	-
Purchase of property, plant and equipment		(816,835)	(1,045,153)
Proceeds from sale of property, plant and equipment		22,250	26,000
Purchase of investments at FVTOCI		(5,105,978)	(393,648)
Proceeds from sale of investments at FVTOCI		18,876,521	1,043,996
Dividend income received		6,760,934	1,404,273
Dividend received from associates		10,615,622	-
Interest income received		7,011	10,366
<b>Net cash from/(used in) investing activities</b>		<b>22,771,924</b>	<b>(3,476,885)</b>
<b>FINANCING ACTIVITIES</b>			
Payment of cash dividends		(12,401,319)	(10,356,654)
Purchase of treasury shares		(999,898)	(121,244)
Net movement in term loans		(7,847,662)	(4,694,460)
Net movement in Islamic financing facilities		(9,657,895)	-
Lease liabilities paid		(151,416)	(151,416)
Finance costs paid		(1,559,637)	(129,398)
<b>Net cash used in financing activities</b>		<b>(32,617,827)</b>	<b>(15,453,172)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(11,917,099)</b>	<b>(15,344,854)</b>
Foreign currency adjustment		208,355	(53,253)
Cash and cash equivalents at beginning of the period	13	18,981,488	26,238,819
<b>Cash and cash equivalents at end of the period</b>	13	<b>7,272,744</b>	<b>10,840,712</b>

The notes set out on pages 7 to 22 form an integral part of this interim condensed consolidated financial information.



# Notes to the interim condensed consolidated financial information

## 1 Incorporation and activities

Gulf Cable and Electrical Industries Company – KPSC (“the Parent Company”) is a registered Kuwaiti Public Shareholding Company, which was established on 15 March 1975. The shares of the Parent Company are listed on Boursa Kuwait.

The Group comprises the Parent Company and its subsidiaries.

Pursuant to the decision of the extraordinary general assembly held on 22 June 2020, the objectives of the Parent Company were amended, and the amendments were authenticated in the commercial register on 2 September 2020.

Objectives for which the Parent Company was incorporated are as follows:

- 1- Produce all kinds of electrical and telephone cables of various sizes and varieties;
- 2- Produce all kinds of electric and telephone wires of various sizes and varieties;
- 3- Produce the wires necessary for the production of light bulbs;
- 4- Produce light bulbs of all varieties and sizes after obtaining the necessary license from the Public Authority for Industry;
- 5- Manufacture electrical transformers, switches and distribution panels after obtaining the necessary license from the Public Authority for Industry;
- 6- Various manufacturing relating to power equipment and tools for industrial or household purposes after obtaining the necessary license from the Public Authority for Industry;
- 7- Produce all kinds of aluminum chips and nylon covering rolls of various sizes and varieties after obtaining the necessary license from the Public Authority for Industry;
- 8- Produce copper bars which are used in the production of electrical and telephone cables after obtaining the necessary license from the Public Authority for Industry;
- 9- Trade in all kinds of these products;
- 10- Import machinery, plant, equipment and tools necessary to achieve the Parent Company’s objectives;
- 11- Import the raw materials for this industry;
- 12- Invest the surplus funds in investment portfolios in order to serve the Parent Company’s objectives;
- 13- Owning real estate and movables for the benefit of the Parent Company.

The shareholders in their Extra-Ordinary General Assembly held on 18 October 2022 approved to change the name of the Parent Company from Gulf Cable and Electrical Industries Company – KPSC to Gulf Cable Group and Electrical Industries Company – KPSC, as well as including two new objectives and modify other as follows:

- 1- Owning stocks and shares in Kuwaiti or non-Kuwaiti shareholding companies and shares in Kuwaiti and non-Kuwaiti limited liability companies and participating in the establishment of, lending and managing of these companies and acting as guarantor for these companies.
- 2- Managing its subsidiaries or participating in the management of other companies in which it contributes and providing the necessary support for them.

The Parent Company may have interest or participate in any aspect in the authorities and companies which practice similar activities, or which may assist it in the achievement of its objectives in Kuwait and abroad. The Parent Company may also purchase these authorities and companies or affiliate them therewith.

The legal formalities to authenticate the above with the relevant authorities are currently in progress.

# Notes to the interim condensed consolidated financial information (continued)

## 1 Incorporation and activities (continued)

The address of the Parent Company's registered office is PO Box 1196, Safat 13012, State of Kuwait.

This interim condensed consolidated financial information for the nine-month period ended 30 September 2022 was authorised for issue by the Parent Company's board of directors on 14 November 2022.

## 2 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine-month period ended 30 September 2022 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 are consistent with those used in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2021, except for the changes described in note 3.

The annual consolidated financial statements for the year ended 31 December 2021 were prepared in accordance with the International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB"), and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB.

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

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. For further details, refer to the consolidated financial statements and their disclosures for the year ended 31 December 2021.

The Group has consolidated its subsidiaries using management accounts for the period ended 30 September 2022.

## 3 Changes in accounting policies

### 3.1 New and amended standards adopted by the Group

The following new amendments or standards were effective for the current period.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 3 Amendment – Reference to the conceptual framework	1 January 2022
IAS 16 – Amendments – Proceeds before intended use	1 January 2022
IAS 37 – Amendments – Onerous contracts -Cost of fulfilling a contract	1 January 2022
Annual Improvements 2018-2020 Cycle	1 January 2022

## Notes to the interim condensed consolidated financial information (continued)

### 3 Changes in accounting policies (continued)

#### 3.1 New and amended standards adopted by the Group (continued)

##### IFRS 3 – Reference to the conceptual framework

The amendments add a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

##### IAS 16 Amendments - Proceeds before intended use

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

The adoption of the amendment did not have a significant impact on the Group's interim condensed consolidated financial information.

##### IAS 37 Amendments – Onerous contracts- Cost of fulfilling a contract

The amendments specify which costs an entity includes when assessing whether a contract will be loss-making.

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The amendments are only to be applied to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual period in which it first applies the amendments.

The adoption of the amendment did not have a significant impact on the Group's interim condensed consolidated financial information.

##### Annual Improvements 2018-2020 Cycle

Amendment to IAS 1 simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences. Subsidiary that is a first-time adopter later than its parent might have been required to keep two parallel sets of accounting records for cumulative translation differences based on different dates of transition to IFRSs. However, the amendment extends the exemption to cumulative translation differences to reduce costs for first-time adopters.

Amendment to IFRS 9 relates to the '10 per cent' Test for Derecognition of Financial Liabilities – In determining whether to derecognise a financial liability that has been modified or exchanged, an entity assesses whether the terms are substantially different. 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.

## Notes to the interim condensed consolidated financial information (continued)

### 3 Changes in accounting policies (continued)

#### 3.1 New and amended standards adopted by the Group (continued)

##### Annual Improvements 2018-2020 Cycle (continued)

Amendment to IFRS 16 avoids the potential for confusion in applying IFRS 16 Leases because of how Illustrative Example 13 accompanying IFRS 16 had illustrated the requirements for lease incentives. Before the amendment, Illustrative Example 13 had included as part of the fact pattern a reimbursement relating to leasehold improvements; the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16. The IASB decided to remove the potential for confusion by deleting from Illustrative Example 13 the reimbursement relating to leasehold improvements.

Amendment to IAS 41 removes the requirement in IAS 41.22 to exclude taxation cash flows when measuring fair value. This amendment aligns the requirements in IAS 41 on fair value measurement with those in other IFRS Standards.

The adoption of the amendments did not have a significant impact on the Group's interim condensed consolidated financial information.

#### 3.2 IASB Standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's interim condensed consolidated financial information is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's interim condensed consolidated financial information.

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments	No stated date
IAS 1 Amendments- Classification of current and non-current	1 January 2023
IAS 1 Amendments- Disclosure of accounting policies	1 January 2023
IAS 8 Amendments- Definition of accounting estimates	1 January 2023
IAS 12 Income taxes- Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

#### ***IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments***

The Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

## Notes to the interim condensed consolidated financial information (continued)

### 3 Changes in accounting policies (continued)

#### 3.2 IASB Standards issued but not yet effective (continued)

##### *IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments (continued)*

- require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations)
- require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

IASB has postponed the effective date indefinitely until other projects are completed. However, early implementation is allowed. Management anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future should such transactions arise.

##### **IAS 1 Amendments - Classification of current or non-current**

The amendments to IAS 1 clarify the classification of a liability as either current or non-current is based on the entity's rights at the end of the reporting period. Stating management expectations around whether they will defer settlement or not does not impact the classification of the liability. It has added guidance about lending conditions and how these can impact classification and has included requirements for liabilities that can be settled using an entity's own instruments.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's interim condensed consolidated financial information.

##### **IAS 1 Amendments – Disclosure of accounting policies**

The amendments to IAS 1 require entities to disclose material accounting policies instead of significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's interim condensed consolidated financial information.

##### **IAS 8 Amendments – Definition of accounting estimates**

The amendments to IAS 8 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.

Management does not anticipate that the adoption of the amendments in the future will have a significant impact on the Group's interim condensed consolidated financial information.

##### **IAS 12 Amendments – Deferred tax related to assets and liabilities arising from a single transaction**

The amendments to IAS 12 inserted the definition of accounting estimates replacing the definition of a change in accounting estimates. Accounting estimates are now defined as monetary amounts in financial statements that are subject to measurement uncertainty.



## Notes to the interim condensed consolidated financial information (continued)

### 4 Judgment and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2021.

### 5 Taxation

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD
Taxation charge on overseas subsidiary	31,082	106,996	31,082	190,050
Provision for contributions to Kuwait Foundation for Advancement of Science	11,910	15,965	95,447	62,995
Provision for Zakat	13,078	17,365	231,394	54,899
Provision for National Labour Support Tax	34,537	45,705	580,485	143,299
	90,607	186,031	938,408	451,243

### 6 Basic and diluted earnings per share attributable to the owners of the Parent Company

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period after excluding treasury shares as follows:

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD
Profit for the period attributable to the owners of the Parent Company - KD	536,167	1,451,697	11,424,328	5,864,801
Weighted average number of shares outstanding during the period (excluding treasury shares) - share	208,174,607	209,016,526	208,655,820	209,066,108
Basic and diluted earnings per share attributable to the owners of the Parent Company	3 Fils	7 Fils	55 Fils	28 Fils

## Notes to the interim condensed consolidated financial information (continued)

### 7 Investment in associates and joint venture

#### 7.1 Investment in associates

Details of the investment in associates are given below:

Name	Country of incorporation	Ownership percentage			Principal activities
		30 Sept. 2022 (Unaudited) %	31 Dec. 2021 (Audited) %	30 Sept. 2021 (Unaudited) %	
Team Holding Company – KSC (Closed) - (Unquoted)	Kuwait	47.50	47.50	47.50	Financing and investment
National Investment Company – KPSC (Quoted)	Kuwait	26.95	25.37	-	Financial services
Heavy Engineering Industries and Shipbuilding – KPSC (Quoted)	Kuwait	28.33	28.33	-	Industrial

Movement in the carrying amount of the investment in associates is as follows:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
At the beginning of the period/year	86,168,913	1,103,929	1,103,929
Additions during the period/year	5,087,602	84,657,613	-
Share of results for the period/year	3,012,050	411,251	58,991
Share of other comprehensive income/(loss) for the period/year	1,258,767	(3,880)	-
Dividends received	(10,615,622)	-	-
At the end of period/year	84,911,710	86,168,913	1,162,920

#### 7.2 Investment in joint venture

During the year, the Parent Company participated in establishment of a company in Kuwait “Gulf and Riyadh Electric Wires, Cables and Electronics Manufacturing Company – WLL” having a total share capital of KD5,000,000 in which the Parent Company has 50% ownership. The company’s main objective is manufacture of electric and electronic wires and cables. The movement in the carrying amount of the investment in the joint venture is as follows:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
At the beginning of the period/year	-	-	-
Additions during the period/year	2,500,000	-	-
Share of results for the period/year	(11,603)	-	-
At the end of period/year	2,488,397	-	-

## Notes to the interim condensed consolidated financial information (continued)

### 8 Investments at fair value through other comprehensive income

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Local quoted securities held through managed portfolios (Note 8.1)	55,573,970	64,816,226	58,867,813
Local unquoted securities held through managed portfolios	4,350,159	4,705,721	4,701,034
Foreign quoted securities held through managed portfolios and others	445,079	18,507,697	15,964,171
Foreign unquoted securities held through managed portfolios	2,755,082	2,698,145	2,698,145
Foreign managed unquoted securities	-	-	3,533,308
Foreign unquoted securities	37,879,545	33,180,532	31,254,412
Local managed funds	5,081,578	5,188,960	5,075,659
	<b>106,085,413</b>	<b>129,097,281</b>	<b>122,094,542</b>

- 8.1 The Group's investments in local quoted shares include an investment in a local listed company having a market value of KD59,847,087 based on the quoted bid price as at 30 September 2022. Due to the restrictions on sale of this investment until February 2024, the Group has applied a discount of 20% amounting to KD11,969,417 on the above quoted bid price when determining its fair value. As a result of this discount, the fair value of the investment amounted to KD47,877,670 as at 30 September 2022.
- 8.2 These investments are held in equity instruments for medium to long term strategic objectives. Accordingly, management has chosen to identify these investments in equity instruments as investments at fair value through other comprehensive income where it is believed that the recognition of short-term fluctuations in the fair value of these investments in the statement of profit or loss will not be consistent with the Group's strategy to hold such investments for long-term purposes and realizing their performance potential in the long term.
- 8.3 Local managed funds include investments in units of equity investments. Fair value of these investments is determined using net asset values reported by the investment managers and the management believes that this represent the best estimate of fair value available for these investments.

### 9 Inventories

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Raw materials	13,817,010	12,555,910	20,393,776
Finished goods	21,205,585	14,464,460	13,952,648
Work-in-progress	10,049,657	6,022,803	6,094,693
Spare parts	2,934,412	2,838,692	2,834,898
	<b>48,006,664</b>	<b>35,881,865</b>	<b>43,276,015</b>
Less: provision for slow-moving inventories	(1,205,930)	(1,094,184)	(1,091,312)
	<b>46,800,734</b>	<b>34,787,681</b>	<b>42,184,703</b>
Goods in transit and prepaid letters of credit	338,721	408,361	316,543
	<b>47,139,455</b>	<b>35,196,042</b>	<b>42,501,246</b>

## Notes to the interim condensed consolidated financial information (continued)

### 10 Trade accounts receivable

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Trade accounts receivable	38,245,480	40,029,573	38,051,362
Less: provision for doubtful debts	(8,717,383)	(8,240,759)	(6,550,523)
	29,528,097	31,788,814	31,500,839

### 11 Other receivables and prepayments

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Financial assets:			
Staff receivable	73,400	81,075	75,876
Other receivables – Net	1,348,549	725,930	620,257
	1,421,949	807,005	696,133
Non-financial assets:			
Prepaid expenses	463,231	327,057	637,782
	1,885,180	1,134,062	1,333,915

### 12 Investments at fair value through profit or loss

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Local quoted securities held through managed portfolios	302,126	-	-

### 13 Cash and cash equivalents

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Cash in hand	195,975	99,333	23,408
Cash held in managed portfolios	584,182	6,283,865	363,043
Bank balances	7,111,993	12,598,290	10,462,397
Total cash and bank balances as per interim condensed consolidated statement of financial position	7,892,150	18,981,488	10,848,848
Less: due to banks	(619,406)	-	(8,136)
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	7,272,744	18,981,488	10,840,712

Due to banks represent overdraft facilities which carry commercial interest rates and are payable on demand.

## Notes to the interim condensed consolidated financial information (continued)

### 14 Treasury shares

The Group holds treasury shares as follows:

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Number of shares	1,756,702	1,000,000	1,000,000
Percentage of issued shares	0.84%	0.48%	0.48%
Market value (KD)	1,879,671	871,000	830,000
Cost (KD)	1,575,622	575,724	575,724

Reserves of the Parent Company equivalent to the cost of treasury shares have been earmarked as non-distributable.

### 15 Other components of equity

	Fair value reserve KD	Foreign currency translation reserve KD	Treasury shares reserve KD	Other reserves KD	Total KD
<b>Balance at 1 January 2022 (Audited)</b>	<b>82,195,030</b>	<b>468,155</b>	<b>77,888</b>	<b>-</b>	<b>82,741,073</b>
Group's share in associates' reserves	1,182,365	71,317	-	5,085	1,258,767
Exchange differences arising on translation of foreign operations	-	235,492	-	-	235,492
Change in fair value of investments at FVTOCI	(9,241,324)	-	-	-	(9,241,324)
<b>Total other comprehensive (loss)/income for the period</b>	<b>(8,058,959)</b>	<b>306,809</b>	<b>-</b>	<b>5,085</b>	<b>(7,747,065)</b>
<b>Gain on sale of investments at FVTOCI</b>	<b>(14,856,920)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,856,920)</b>
<b>Balance at 30 September 2022 (Unaudited)</b>	<b>59,279,151</b>	<b>774,964</b>	<b>77,888</b>	<b>5,085</b>	<b>60,137,088</b>
<b>Balance at 1 January 2021 (Audited)</b>	<b>47,398,434</b>	<b>505,640</b>	<b>77,888</b>	<b>-</b>	<b>47,981,962</b>
Exchange differences arising on translation of foreign operations	-	(56,050)	-	-	(56,050)
Change in fair value of investments at FVTOCI	26,073,563	-	-	-	26,073,563
<b>Total other comprehensive income/(loss) for the period</b>	<b>26,073,563</b>	<b>(56,050)</b>	<b>-</b>	<b>-</b>	<b>26,017,513</b>
<b>Gain on sale of investments at FVTOCI</b>	<b>(340,811)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(340,811)</b>
<b>Balance at 30 September 2021 (Unaudited)</b>	<b>73,131,186</b>	<b>449,590</b>	<b>77,888</b>	<b>-</b>	<b>73,658,664</b>



## Notes to the interim condensed consolidated financial information (continued)

### 16 Term loans

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
<b>Long term loans:</b>			
- Current portion	5,800,000	5,818,161	842,401
- Due after one year	18,534,495	26,334,495	1,534,495
	<b>24,334,495</b>	<b>32,152,656</b>	<b>2,376,896</b>

The term loans represent the following:

- A term loan amounting to KD22,500,000 (31 December 2021: KD30,000,000 and 30 September 2021: KD Nil) repayable in 9 semi-annual installments of KD2,500,000 ending on 20 December 2026.
- A term loan amounting to KD1,834,495 (31 December 2021: KD2,152,656 and 30 September 2021: KD2,376,896) mature on various dates ending on 31 December 2023.

The above loans are denominated in Kuwaiti Dinar and carry commercial interest rates.

### 17 Islamic financing facilities

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
<b>Long term Islamic financing facilities</b>			
- Current portion	1,815,789	2,000,000	-
- Due after one year	28,526,316	38,000,000	-
	<b>30,342,105</b>	<b>40,000,000</b>	<b>-</b>

The Islamic financing facilities represent the following:

- Murabaha payables amounting to KD30,342,105 (31 December 2021: KD10,000,000 and 30 September 2021: KD Nil) are repayable in 16 quarterly installments of KD453,947 with final repayment of KD23,078,953 on 31 December 2026.
- Wakala amounting to KD Nil (31 December 2021: KD30,000,000 and 30 September 2021: KD Nil). The wakala facility was fully repaid during the period.

The Wakala Islamic financing facilities were secured against certain sharers of an associate with carrying value KD43,203,842 as at 31 December 2021.

The above facilities are denominated in Kuwaiti Dinar and carry commercial profit rates.

### 18 General Assembly of the Shareholders and dividend distribution

The Annual General Assembly of the shareholders held on 27 April 2022 approved the consolidated financial statements of the Group for the year ended 31 December 2021 and cash dividend of 60% (2020: 50%) equivalent to 60 Fils (2020: 50 Fils) per share of the paid-up share capital amounting to KD12,533,584 for the year ended 31 December 2021 (2020: KD10,452,653).

Further, the shareholders approved the board of directors' remuneration of KD310,000 for the year ended 31 December 2021 (2020: KD310,000).

## Notes to the interim condensed consolidated financial information (continued)

### 19 Segmental information

Operating segments are identified based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance, and is reconciled to the Group's profit or loss.

The Group's reportable segments are cable manufacture, investment and rendering services. The information relating to these segments are as follows:

	Cable manufacture KD	Investment KD	Rendering of services KD	Total KD
<b>For the three months ended 30 September 2022 (Unaudited):</b>				
Revenue/(loss)	25,158,798	(431,251)	757,003	25,484,550
Segment results	1,849,292	(948,639)	(195,856)	704,797
Unallocated expenses				(168,107)
Profit for the period				536,690
Additions to property, plant and equipment	91,719	-	1,056	92,775
Depreciation	(299,876)	-	(125,600)	(425,476)
Finance costs	(2,703)	(459,346)	(34,572)	(496,621)
Dividend income	-	90,500	-	90,500
<b>For the nine months ended 30 September 2022 (Unaudited):</b>				
Revenue	69,681,681	9,886,191	2,270,810	81,838,682
Segment results	4,972,094	8,272,574	(641,644)	12,603,024
Unallocated expenses				(1,170,908)
Profit for the period				11,432,116
Additions to property, plant and equipment	813,430	-	3,405	816,835
Depreciation	(819,613)	-	(373,233)	(1,192,846)
Finance costs	(9,143)	(1,392,849)	(94,782)	(1,496,774)
Dividend income	-	6,760,934	-	6,760,934
Total assets	92,743,896	194,129,123	6,987,064	293,860,083
Total liabilities	(20,441,772)	(52,881,623)	(2,860,971)	(76,184,366)
Net assets	72,302,124	141,247,500	4,126,093	217,675,717

## Notes to the interim condensed consolidated financial information (continued)

### 19 Segmental information (continued)

	Cable manufacture KD	Investment KD	Rending services KD	Total KD
<b>For the three months ended 30 September 2021 (Unaudited):</b>				
Revenue	15,879,637	98,566	2,297,971	18,276,174
Segment results	1,974,799	74,415	(303,299)	1,745,915
Unallocated expenses				(263,531)
Profit for the period				1,482,384
Additions to property, plant and equipment	632,570	-	26,439	659,009
Depreciation	(289,005)	-	(358,829)	(647,834)
Finance costs	(7,120)	-	(107,846)	(114,966)
Dividend income	-	80,020	-	80,020
<b>For the nine months ended 30 September 2021 (Unaudited):</b>				
Revenue	43,681,089	1,430,252	2,297,971	47,409,312
Segment results	5,535,246	1,366,863	(303,299)	6,598,810
Unallocated expenses				(683,743)
Profit for the period	-			5,915,067
Additions to property, plant and equipment	1,018,714	-	26,439	1,045,153
Depreciation	(731,498)	-	(358,829)	(1,090,327)
Finance costs	(14,436)	-	(107,846)	(122,282)
Dividend income	-	1,404,273	-	1,404,273
Total assets	91,266,875	123,423,714	8,952,377	223,642,966
Total liabilities	(13,013,291)	(36,318)	(2,937,749)	(15,987,358)
Net assets	78,253,584	123,387,396	6,014,628	207,655,608

### 20 Related party balances and transactions

Related parties represent subsidiaries, associate, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Transactions between the Parent Company and its subsidiaries which are related parties of the Parent Company have been eliminated on consolidation and are not disclosed in this note. Details of balances and transactions between the Group and its related parties are disclosed below.

	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
<b>Balances included in the interim condensed consolidated statement of financial position:</b>			
Other receivable and prepayment	23,206	-	-
Trade accounts payable	16,528	18,716	36,035
Purchase of property, plant and equipment	53,400	175,300	68,300

## Notes to the interim condensed consolidated financial information (continued)

### 20 Related party balances and transactions (continued)

	Three months ended		Nine months ended	
	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD	30 Sept. 2022 (Unaudited) KD	30 Sept. 2021 (Unaudited) KD
<i>Amounts included in the Interim condensed consolidated statement of profit or loss:</i>				
Sales	15,127	5,583	54,583	29,870
Expenses	(46,872)	(91)	(151,995)	(91)
<i>Key management compensation:</i>				
Salaries and other short-term benefits	141,045	182,891	449,002	495,411
End of service benefits	11,752	37,084	47,842	94,579
Provision for directors' remuneration	77,500	77,500	232,500	232,500
	230,297	297,475	729,344	822,490

### 21 Contingent liabilities

Contingent liabilities as at 30 September 2022 in respect of outstanding letters of guarantee amounted to KD9,122,262 (31 December 2021: KD6,997,181 and 30 September 2021: KD7,227,178).

### 22 Capital commitments

At the period end, the Group had capital commitments amounting to KD Nil (31 December 2021: KD574,900 and 30 September 2021: KD583,488).

### 23 Fair value measurement

#### 23.1 Fair value hierarchy

Fair value represents 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.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

#### 23.2 Fair value measurement of financial instruments

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:

## Notes to the interim condensed consolidated financial information (continued)

### 23 Fair value measurement (continued)

#### 23.2 Fair value measurement of financial instruments (continued)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>30 September 2022 (Unaudited):</b>				
<b>Investments at fair value through other comprehensive income:</b>				
Quoted equity securities	8,141,379	47,877,670	-	56,019,049
Unquoted equity securities	-	-	44,984,786	44,984,786
Local managed funds	-	5,081,578	-	5,081,578
<b>Investments at fair value through profit or loss:</b>				
Quoted equity securities	302,126	-	-	302,126
	<b>8,443,505</b>	<b>52,959,248</b>	<b>44,984,786</b>	<b>106,387,539</b>
<b>31 December 2021 (Audited):</b>				
<b>Investments at fair value through other comprehensive income:</b>				
Quoted equity securities	83,323,923	-	-	83,323,923
Unquoted equity securities	-	-	40,584,398	40,584,398
Local managed funds	-	5,188,960	-	5,188,960
	<b>83,323,923</b>	<b>5,188,960</b>	<b>40,584,398</b>	<b>129,097,281</b>
<b>30 September 2021 (Unaudited):</b>				
<b>Investments at fair value through other comprehensive income:</b>				
Quoted equity securities	74,831,984	-	-	74,831,984
Unquoted equity securities	-	-	42,186,899	42,186,899
Local managed funds	-	5,075,659	-	5,075,659
	<b>74,831,984</b>	<b>5,075,659</b>	<b>42,186,899</b>	<b>122,094,542</b>

#### Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period, except for shares with a carrying value of KD47,877,670 classified under level “2” fair value hierarchy which were classified under level “1” hierarchy as at 31 December 2021 and 30 September 2021 for the reasons mentioned in note 8.1.

#### Level 3 fair value measurements

The Group's financial assets classified in level 3 uses valuation techniques based on significant inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	(Unquoted equity securities) (Investments at FVTOCI)		
	30 Sept. 2022 (Unaudited) KD	31 Dec. 2021 (Audited) KD	30 Sept. 2021 (Unaudited) KD
Opening balance at the beginning of the period/year	40,584,398	41,222,912	41,222,912
Disposals	-	(2,900,238)	-
Net changes in fair value	4,400,388	2,261,724	963,987
Closing balance at the end of period/year	44,984,786	40,584,398	42,186,899



## Notes to the interim condensed consolidated financial information (continued)

### 23 Fair value measurement (continued)

#### 23.2 Fair value measurement of financial instruments (continued)

##### Level 3 fair value measurements (continued)

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The fair value of financial instruments that are not traded in an active market (e.g. unquoted securities) is determined by using valuation techniques. Fair value for the unquoted securities investments are approximately the summation of the estimated value of underlying investments as if realised on the reporting date.

The investment managers in determining the fair value of these investments use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Investment managers used techniques such as discounted cash flow analysis, recent transactions prices and adjusted net book value to determine fair value.

The impact on interim condensed consolidated statement of profit or loss and other comprehensive income would be immaterial if the relevant risk variable used to fair value the level 3 investments were changed by 5%.

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