

**Al Mal Investment Company K.P.S.C. and its subsidiaries  
Kuwaiti Shareholding Public Company  
State of Kuwait**

**Interim Condensed Consolidated Financial Information  
For the Six Month Ended June 30, 2021  
And  
Auditor's Report**



**Al Mal Investment Company K.P.S.C. and its subsidiaries**  
**Kuwaiti Shareholding Public Company**  
**State of Kuwait**

**Interim Condensed Consolidated Financial Information**  
**For the Six Month Ended June 30, 2021**  
**And**  
**Auditor's Report**



**Index**

**Review report**

	<b><u>Statement</u></b>	<b><u>Page</u></b>
Interim Condensed Consolidated Statement of Financial Position (unaudited)	A	1
Interim Condensed Consolidated Statement of Income (unaudited)	B	2
Interim Condensed Consolidated Statement of Other Comprehensive Income (unaudited)	C	3
Interim Condensed Consolidated Statement of Changes in Equity (unaudited)	D	4
Interim Condensed Consolidated Statement of Cash Flows (unaudited)	E	5
Notes to the Interim Condensed Consolidated Financial Information (unaudited)		6 - 20



A member of  
**Nexia**  
International

TEL : (965) 22942606 , 22942607  
P.O. Box : 27642 Safat 13137 Kuwait  
Email: Info@nazarnexia.com  
Website : www.nazarnexia.com

نظرو شركاه  
محاسبون قانونيون واستشاريون - عضو نكسيا الدولية  
**NAZAR & PARTNERS**  
Authorized Auditors & Consultants

To the Board of Directors,  
Al Mal Investment Company K.P.S.C.  
State of Kuwait

### Report on Review of Interim Condensed Consolidated Financial Information

#### Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Al Mal Investment Company K.P.S.C. (the "Parent Company") and its subsidiaries (together referred to as the "Group") - which comprise the interim condensed consolidated statement of financial position as at June 30, 2021 and the interim condensed consolidated statement of income, and the interim condensed consolidated statement of other comprehensive income for the three-month period then ended, and the interim condensed consolidated changes in equity and cash flows for the three-month period then ended. The Company's 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

Except for the possible effects of the matters described in the "Basis for Qualified Conclusion" paragraphs below, we conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing ("ISAs") 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.

#### Basis for Qualified Conclusion

##### 1. Investment in associate companies - Diyar Al Kuwait Real Estate Company K.S.C. (Closed)

As indicated in note (11) about the interim condensed consolidated financial information, the Group has an investment in an associate company ("Diyar Kuwait Real Estate Company K.S.C. (Closed)" or "Diyar Company" or "the Associate Company") with a shareholding of 40.25 % as at June 30, 2021, with a carrying value of 5,972,525 Kuwaiti dinars, and the share of results amounted to 31,664 Kuwaiti dinars (loss). The carrying value of the associate company as at June 30, 2021 represents 42.69% of the total consolidated assets of the group, and the share of results represents 21.30% of the total consolidated revenue of the group for the period ended June 31, 2021. We were unable to obtain comfort on the existence, completeness, accuracy and valuation of Diyar due to the following:

a) Diyar's financial information includes an advance amount with a carrying value of KD 1,382,507 as at June 30, 2021 and December 31, 2020 net of impairment amounted to KD 153,612 paid towards purchase of a property (land). Diyar has not performed an assessment of the recoverable amount of the advance and the sufficiency of the related impairment recorded as at June 30, 2021 and December 31, 2020.

b) Diyar has an unquoted investment at fair value through other comprehensive income amounted to KD 333,464 at June 30, 2021 (December 31, 2020: KD 333,464 and June 30, 2020: 333,464 Kuwaiti dinar) which has been reclassified from investment in an associate at December 31, 2019 (the "transaction date"). Diyar neither assessed the basis for reclassification from investment in an associate to investments at FVOCI nor recognised this financial asset at fair value since the transaction date and as at June 30, 2021.

As a result of the above, we were unable to obtain comfort on the existence, completeness, accuracy and valuation of investment in Diyar as at June 30, 2021 and its share of results for the six-month period ended June 30, 2021.



## 2. Investment in associate, Armila Capital Limited

As stated in Note 11 to the interim condensed consolidated financial information, the Group has investment in an associate ("Armila Capital Limited", or "Armila" or the "associate"), with a shareholding of 40% and carrying value of KD 1,143,124 as at June 30, 2021 and the share of results amounted to KD None. Armila's carrying value as at June 30, 2021 represents 8.17% of the Group's total consolidated. The share of results of Armila has been not recognised for the six-month period ended June 30, 2021. We were unable to obtain comfort on the existence, completeness, accuracy and valuation of these amounts due to the non-availability of reviewed financial information of Armila for the six-month period ended June 30, 2021 and the audited financial statements of Armila for the year ended December 31, 2019 and December 31, 2020. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

## 3. Accounts receivable and other debit balances

The Group's accounts receivable and other debit balances include KD 303,272 representing amount due from a related party, Zone Advanced General Trading Company W.L.L. ("Zone") as at June 31, 2021. No assessment of provision for expected credit losses has been performed as at June 30, 2021. We did not receive a confirmation of this balance and accordingly we were unable to obtain the supporting evidence of the company's ownership of this balance, which is not in line with the requirements of International Financial Reporting Standards.

## 4. Investment at fair value through other comprehensive income

As stated in Note 10 to the interim condensed consolidated financial information, the Group's investment at fair value through other comprehensive income ("FVOCI"), Zone Advanced General Trading Company W.L.L. ("Zone") amounted to KD 2,012,029 as at June 30, 2021 which has been reclassified from investment in associates as at December 31, 2019 (the "transaction date"). The Group neither assessed the basis for reclassification from investment in associates to investment at FVOCI nor recognised this investment at fair value since the transaction date and as at June 30, 2021. As a result of the above, we were unable to obtain comfort on the valuation and presentation of this amount. Consequently, we were unable to determine whether any adjustment to this amount is necessary.

### Qualified Conclusion

Based on our review, except for the possible effects of the matters described in the "Basics for Qualified Conclusion" paragraphs above, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information has not been prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 about the information Interim condensed consolidated financials.

### Material uncertainty related to going concern

As explained in Note (2) about the interim condensed consolidated financial information, the Group incurred accumulated losses amounted to 23,800,777 Kuwaiti Dinars as a 76.72% from the capital of the company (December 31, 2020: 23,175,480 Kuwaiti dinars as a 74.70%, and June 31, 2020: 23,167,502 Kuwaiti dinars as a 74.67% from the capital of the company and this exceed the capital of the company 75 %). On this date the loss of 625,107 Kuwaiti Dinars for the six-months period ended June 30, 2021 (December 31, 2020 : 203,064 Kuwaiti Dinars, June 30, 2020 : 194,551 Kuwaiti Dinars, In addition, the group's current liabilities exceeded its current assets by an amount of 1,802,078 Kuwaiti dinars (December 31, 2020: 1,897,683 Kuwaiti dinars, and June 30, 2020: 1,879,979 Kuwaiti dinars). These factors indicate a material uncertainty about the Group's ability to continue as a going concern without continuing financial support from the shareholders. Our conclusion does not include reservations with respect to this matter.

### Emphasis of Matters

We would like to draw your attention to the following matters:

- Note 6 to the interim condensed consolidated financial information which states that the former subsidiary First Al-Mal Real Estate K.S.C. (Closed) has been disposed-off during the year ended December 31, 2019, however, on October 14, 2021, the Board of Directors of Al Mal Qatari Holding Company (a subsidiary company) met and decided to cancel the swap contract between the company and the Kuwaiti European Company, according to which Armila Capital Company will be disposed-off and First Al Mal Real Estate Company will be consolidated again as a subsidiary of Al Mal Qatari Holding Company starting from 14 October 2021 with a rate of 76.56%.

- Note 9 to the interim condensed consolidated financial information which describes the uncertainty related to the outcome of the legal disputes for the recovery of the refundable development expenses.  
Our conclusion is not qualified in respect of the above matters.

**Other matter**

The company's financial statements for the interim condensed consolidated financial information for the six-month period ended June 30, 2020, were reviewed by another auditor and he expressed a qualified conclusion in his report dated August 19, 2020.

**Report on other legal and regulatory requirements**

Furthermore, except for the possible effects of the matters described in the "Basis for Qualified Conclusion" paragraph above and 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, except for the possible effects of the matters described in the "Basis for Qualified Conclusion" paragraph above, nothing has come to our attention indicating any violations of the Companies' Law No. 1 of 2016, and its Executive Regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, or of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business and its related regulation. or Law No. 7 of 2010 concerning the establishment of Capital Markets Authority and organization of securities activity and its Executive Regulations, as amended, during the six-month period ended June 30, 2021 that would materially affect the Group's activities or its interim condensed consolidated financial position.

State of Kuwait  
January 18, 2022 .



**Nayer Awadh Nazar**  
**Authorized Public Auditor No. 43-Grade A.**  
**Nazar and Partners**  
**Member of Nexia International**



**Al Mal Investment Company K.P.S.C. and its subsidiaries**  
**Kuwaiti Shareholding Public Company**  
**State of Kuwait**

**Interim Condensed Consolidated of Financial Position (Unaudited)**  
**As at 30 June 30, 2021**

**Statement (A)**

<b>Assets</b>	<b>Note</b>	<b>(Audited)</b>		<b>30 June 2020</b>
		<b>30 June 2021</b>	<b>31 December 2020</b>	
		<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Currents assets</b>				
Cash and cash equivalents	7	471,439	333,114	165,580
Investments at fair value through statement of Income	8	1,434,289	1,307,602	1,275,654
Receivables and other debit balances	9	2,597,378	2,664,139	2,792,872
<b>Total current assets</b>		<b>4,503,106</b>	<b>4,304,855</b>	<b>4,234,106</b>
<b>Other assets</b>		<b>---</b>	<b>99,000</b>	<b>99,000</b>
Investments at fair value through statement of other comprehensive income	10	2,012,029	2,586,895	2,874,328
Investment in an associated companies	11	7,434,439	7,499,095	7,209,094
Investment properties		39,635	39,635	40,230
<b>Total assets</b>		<b>13,989,209</b>	<b>14,529,480</b>	<b>14,456,758</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Payables and other credit balances	12	6,305,184	6,202,538	6,112,085
<b>Total current liabilities</b>		<b>6,305,184</b>	<b>6,202,538</b>	<b>6,112,085</b>
<b>bond payables</b>	13	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>
<b>Provision for end of service benefits</b>		<b>16,626</b>	<b>10,195</b>	<b>126,942</b>
<b>Equity</b>				
Share capital	14	31,024,591	31,024,591	31,024,591
Foreign currency translation reserve		( 467,154)	( 442,913)	( 550,442)
(Accumulated losses) - statement (D)		( 23,800,777)	( 23,175,480)	( 23,167,502)
<b>Equity attributable to the shareholders of the parent company</b>		<b>6,756,660</b>	<b>7,406,198</b>	<b>7,306,647</b>
Non-controlling interests		10,739	10,549	11,084
<b>Total equity</b>		<b>6,767,399</b>	<b>7,416,747</b>	<b>7,317,731</b>
<b>Total liabilities and equity</b>		<b>13,989,209</b>	<b>14,529,480</b>	<b>14,456,758</b>

The accompanying notes form an integral part of the interim condensed consolidated financial information.

  
Eid Naser Al Rasheedi  
Chairman



**Al Mal Investment Company K.P.S.C. and its subsidiaries**  
**Kuwaiti Shareholding Public Company**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Income (unaudited)**  
**For the Six Month Ended June 30, 2021**

**Statement (B)**

	Note	Three months ended 30 June		Six months ended 30 June	
		2021 KD	2020 KD	2021 KD	2020 KD
<b>Revenue :</b>					
		---	( 2,680)	---	( 2,680)
Net revenue from communication services		4,052	6,330	16,148	14,897
Share of result from an associates	11	( 49,744)	( 56,297)	( 40,535)	( 28,230)
Net profit (loss) from investment	15	70,779	( 14,783)	171,051	( 62,067)
Foreign exchange gain		711	( 1,110)	1,016	6,430
Other income		---	141	1,000	35,209
<b>Total revenue</b>		<u>25,798</u>	<u>( 68,399)</u>	<u>148,680</u>	<u>( 36,441)</u>
<b>Expenses and other charges :</b>					
General and administrative expenses	16	56,307	61,705	110,187	155,866
Impairment of investment value at fair value through other comprehensive income		287,433	---	574,866	---
Provision for expected credit losses		43,325	---	86,650	---
financing expenses		1,125	1,119	2,084	2,244
<b>Total expenses and other charges</b>		<u>388,190</u>	<u>62,824</u>	<u>773,787</u>	<u>158,110</u>
<b>Net (loss) for the period – Statement (D)</b>		<u>( 362,392)</u>	<u>( 131,223)</u>	<u>( 625,107)</u>	<u>( 194,551)</u>
<b>Attributable to:</b>					
Shareholders of the parent company		( 362,313)	( 131,090)	( 625,297)	( 194,549)
Non-controlling interests		( 79)	( 133)	190	( 2)
		<u>( 362,392)</u>	<u>( 131,223)</u>	<u>( 625,107)</u>	<u>( 194,551)</u>
<b>Basic and diluted (loss) per share attributable to the shareholders of the parent company (fils)</b>	18	<u>( 1.17)</u>	<u>( 0.42)</u>	<u>( 2.02)</u>	<u>( 0.63)</u>



The accompanying notes form an integral part of the interim condensed consolidated financial information  
(2)

**Interim Condensed Consolidated Statement of Other Comprehensive  
 Income (Unaudited)  
 For the Six Month Ended June 30, 2021**      **Statement (C)**

	Note	Three months ended 30 June		Six months ended 30 June	
		2021 KD	2020 KD	2021 KD	2020 KD
Net (Loss) of the period		(362,392)	( 131,223)	( 625,107)	( 194,551)
<b>Other comprehensive (loss) income :</b>					
<u>Items that may be reclassified</u>					
<u>subsequently to interim condensed</u>					
<u>consolidated statement of income</u>					
Group's share of other comprehensive (loss) income of associates	11	( 1,518)	( 106,098)	( 11,154)	37,833
Foreign currency translation differences		596	( 3,861)	( 13,087)	( 64,275)
<b>Other comprehensive (loss) for the period</b>		<b>( 922)</b>	<b>( 109,959)</b>	<b>( 24,241)</b>	<b>( 26,442)</b>
<b>Total other comprehensive (loss) for the period – (Statement D)</b>		<b>(363,314)</b>	<b>( 241,182)</b>	<b>( 649,348)</b>	<b>( 220,993)</b>
<b>Attributable to :</b>					
Shareholders of the parent company		(363,235)	( 241,049)	( 649,538)	( 220,991)
Non-controlling interests		( 79)	( 133)	190	( 2)
		<u>(363,314)</u>	<u>( 241,182)</u>	<u>( 649,348)</u>	<u>( 220,993)</u>





**Al Mal Investment Company K.P.S.C. and its subsidiaries**  
**Kuwaiti Shareholding Public Company**  
State of Kuwait

**Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)**  
**For the Six Month Ended June 30, 2021** **Statement (D)**

	Share capital KD	Foreign currency translation reserve KD	(Accumulated losses) KD	Sub-total KD	Non- controlling interests KD	Total KD
<b>Equity at 1 January 2020</b>	31,024,591	( 524,000)	(22,972,953)	7,527,638	11,086	7,538,724
Net (loss) for the period	---	---	( 194,549)	( 194,549)	( 2)	( 194,551)
Other comprehensive (loss) for the period	---	( 26,442)	---	( 26,442)	---	( 26,442)
Total other comprehensive (loss) for the period	---	( 26,442)	( 194,549)	( 220,991)	( 2)	( 220,993)
<b>Equity at 30 June 2020</b>	<b>31,024,591</b>	<b>( 550,442)</b>	<b>(23,167,502)</b>	<b>7,306,647</b>	<b>11,084</b>	<b>7,317,731</b>
<b>Equity at 1 January 2021</b>	31,024,591	( 442,913)	(23,175,480)	7,406,198	10,549	7,416,747
Net (loss) for the period	---	---	( 625,297)	( 625,297)	190	( 625,107)
Other comprehensive (loss) for the period	---	( 24,241)	---	( 24,241)	---	( 24,241)
Total other comprehensive (loss) for the period	---	( 24,241)	( 625,297)	( 649,538)	190	( 649,348)
<b>Equity at 30 June 2021</b>	<b>31,024,591</b>	<b>( 467,154)</b>	<b>(23,800,777)</b>	<b>6,756,660</b>	<b>10,739</b>	<b>6,767,399</b>



The accompanying notes form an integral part of the interim condensed consolidated financial information  
(4)

**Al Mal Investment Company K.P.S.C. and its subsidiaries**  
**Kuwaiti Shareholding Public Company**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited) Statement (E)**  
**For the Six Month Ended June 30, 2021**

	For the six month ended 30 June	
	2021 KD	2020 KD
<b>Cash flows from operating activities:</b>		
Net (loss) for the period	( 625,107)	( 194,551)
Adjustments:		
Share of results from an associates	40,535	28,230
Net investment (loss) profit	( 171,051)	62,067
Foreign exchange (gain)	( 1,016)	( 6,430)
Impairment of investment value at fair value through other comprehensive income	---	2,680
Change in fair value for investment properties	574,866	---
Provision for expected credit losses	86,650	---
Financing expenses	2,084	2,244
End of service benefits	6,530	13,629
(Increase) in receivables and other debit balances	( 19,889)	( 31,314)
Decrease in other assets	99,000	---
Increase (decrease) in payables and other credit balances	102,646	( 31,606)
End of service benefits paid	( 99)	( 56,183)
Net cash generated from (used in) operating activities	95,149	( 211,234)
<b>Cash flows from investing activities:</b>		
Paid for purchase of investment at fair value through statement of income	---	( 3,863)
Proceed from sale of investments at fair value through statement of income	32,593	58,331
Dividend income received	8,802	1,837
Interest income received	2,969	3,279
Net cash generated from investing activities	44,364	59,584
<b>Financing Activities:</b>		
Finance expenses paid	( 2,084)	( 2,244)
Net cash (used in) financing activities	( 2,084)	( 2,244)
Foreign currency translation differences	896	( 10,824)
Net increase (decrease) in cash and cash equivalents	138,325	( 164,718)
Cash and cash equivalents at beginning of the period – Statement (A)	333,114	330,298
Cash and cash equivalents at the end of the period – Statement (A)	471,439	165,580

The accompanying notes form an integral part of the interim condensed consolidated financial information

(5)



**Notes to the interim condensed Consolidated interim financial information (Unaudited)**  
**As of 30 June 30, 2021**

**1- INCORPORATION AND OBJECTIVES**

Al-Mal Investment Company "the Parent Company" - the State of Kuwait - was established by virtue of the articles of incorporation of a Kuwaiti public shareholding company on January 2, 1980, in accordance with the provisions in force in the State of Kuwait and in accordance with the articles of incorporation and its amendments in accordance with the Kuwaiti Commercial Companies Law No. 15 of 1960 and its amendments. The company is listed on the Kuwait Stock Exchange.

The parent company is subject to the supervision and supervision of the Central Bank of Kuwait regarding the financing regulations and the Capital Markets Authority in its capacity as an investment company.

The interim condensed consolidated financial information includes the interim condensed consolidated financial information of the parent company and its subsidiaries ( together referred to as the "Group" (vote 6)

The company's postal address: PO Box 26308, Safat - Postal Code 1312, Kuwait.

The principal activities of the Company are:-

1. Investment in various economic sectors through participating in establishing specialised companies or purchasing securities or shares in those companies;
2. Act as investment trustees and manage different investment portfolios for others; and
3. Act as intermediary in borrowing operations in return for commission;

The parent company may also have an interest or participate in any way with other companies working in the same field or those that help the company to achieve its objectives inside Kuwait or abroad and to buy those companies or participate in their ownership rights.

The condensed interim financial information of the company was approved and approved for the six-month period ended on June 30, 2021 at the company's Board of Directors meeting held in January 18, 2022 .

**2. A basic accounting principle of going concern**

The accumulated losses amounted to 23,800,777 Kuwaiti Dinars as a 76.72% from the capital of the company (December 31, 2020: 23,175,480 Kuwaiti dinars as a 74.70%, and June 31, 2020: 23,167,502 Kuwaiti dinars as a 74.67% from the capital of the company and this exceed the capital of the company 75 %). According to Article No. 271 of Companies Law No. 1 of 2016 and its executive regulations, if the company incurs losses of more than 75% of its capital, the shareholders must meet to decide the future of the company. The shareholders decided to provide sufficient financial support to the company to continue its business, and the company will also amortize the accumulated losses in the capital and then increase the capital again, in addition, the company's management is evaluating several strategies to improve the operational performance, financial position and the adequacy of the company's financial resources to enable it to continue to operate On the basis of the principle of continuity. Accordingly, the financial statements have been prepared on the going concern basis. and the Group incurred a loss of 625,107 Kuwaiti Dinars for the six-months period ended June 30, 2021 (December 31, 2020 : 203,064 Kuwaiti Dinars, June 30, 2020: 194,551 Kuwaiti Dinars, In addition, the group's current liabilities exceeded its current assets by an amount of 1,802,078 Kuwaiti dinars (December 31, 2020: 1,897,683 Kuwaiti dinars, and June 30, 2020: 1,879,979 Kuwaiti dinars).

Management of the Group has been evaluating various strategies to improve the operating performance, financial position and adequacy of the Group's financial resources to enable the Group to continue to operate as a going concern. Therefore, the consolidated financial statements have been prepared under the going concern concept.

If the Group is unable to continue in operational existence for the foreseeable future, it may be unable to discharge its liabilities in the normal course of business. Accordingly, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the interim condensed consolidated statement of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No such adjustments have been made to the interim condensed consolidated financial information.

### **3- BASIS OF PREPARATION**

The interim condensed financial information has been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting ("IAS 34").

The interim condensed financial information does not include all the information and disclosures required for complete financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

In the opinion of the Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-month period ended June 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 financial statements and notes thereto for the year ended December 31, 2020.

### **4- Application of new and revised International Financial Reporting Standards**

The Group has not early adopted any of the standards, interpretations or amendments that have been issued but are not yet effective. These standards, amendments and interpretations are effective for the first time on January 1, 2020, but they do not have any material impact on the group's condensed interim financial information and their statement is as follows:

#### **Amendments to IFRS 3 - Definition of Business**

Amendments to IFRS 3 Definition of Business The amendments to the Business Definition (Amendments to IFRS 3) are changes to Annex A, Defined Terms, Implementation Guidelines and illustrative examples of IFRS 3 only and are described as follows:

- The amendment clarifies that in order for the acquired activities and assets to be considered a business, they must include at least an objective input and process that together contribute substantially to the ability to be productive.
- Narrowing business and production definitions by focusing on goods and services provided to customers and removing references to the ability to reduce costs.
- Add guidance and illustrative examples to help organizations assess whether an objective process has been acquired
- Remove the assessment that determines whether market participants are able to replace any missing inputs or processes and continue production.
- Addition of a concentration test option that allows for a simplified assessment of whether the set of activities and assets acquired do not represent the business. The above amendments apply to business combinations in which the acquisition date is on or after the beginning of the first annual financial period beginning on or after January 1, 2020.



#### **- International Financial Reporting Standard No. (17) - Insurance contracts**

This standard is effective for annual periods beginning on or after January 1, 2021, and supersedes IFRS 4 - Insurance Contracts. The new standard applies to all types of insurance contracts, regardless of the type of companies issuing them, as well as some guarantees and financial instruments with optional participation features. The essence of IFRS 17 is the general model, supplemented by: (a) Specific application of contracts with the benefit of sharing (variable fee method). (b) The simplified method (the unique allocation method) is mainly for short-term contracts.

#### **5- General accounting policies**

The accounting policies used in the preparation of this condensed interim financial information for the Three-month period ended June 31, 2021 are similar to those applied in the preparation of the annual financial statements for the financial year ended December 31, 2020.

#### **- Investments at fair value through other comprehensive income:**

Investments in securities that are held for an indefinite period of time and that are sold when there is a need for liquidity or as a result of a change in their prices are classified as investments at fair value through other comprehensive income. All those sales and purchases of those investments are recorded on the settlement date, and the investments are initially recognized at cost at purchase, including the costs of that transaction, and subsequently to the date of purchase, and are recorded at the fair value that is determined for the investments listed according to the price of the last purchase order in the financial markets, and in the absence of that Price The fair value is estimated using appropriate methods.

#### **- Investments in associate companies:**

Associates are companies in which the Group has a long-term investment and over which the Group has significant influence, but not overall control, including participation in its financial and operating decisions. Investments in associates are recognized using the equity method. According to the equity method, the company's share of the profits and losses of the associate group is recorded in the statement of profit or loss. Investments in associates are also shown in the financial position at an amount that reflects the group's share in the net assets of the associates. Impairment losses are recognized when the carrying amount of the investment in the associate exceeds the value recovered for her.

#### **6 - Subsidiaries**

The breakdown of the subsidiaries is as follows:

Subsidiary name	country of incorporation	Share in Equity			The main activity
		(Audited)			
		June 30, 2021	December 31, 2020	June 30, 2020	
		%	%	%	
Trasul Telecom Company K.S.C. (Closed)	Kuwait	%96.69	%96.69	%96.69	Communication services
Al Mal International for Project Management Company W.LL.	Kuwait	%80	%80	%80	Real estate Development
Al Mal Qatar Holding Company K.S.C (Closed)	Kuwait	%97.50	%97.50	%97.50	Real estate project management
Al Mal Saudi Investment Company LLC.	Kingdom of Saudi Arabia	%100	%100	%100	Real estate project management
Quick Facilities Management L.L.C.	United Arab Emirates	%100	%100	%100	Investment activities
Takharoj Financial and Administrative Consulting Company K.S.C. (Closed)	Kuwait	%99	%99	%99	Financial management services

Certain subsidiaries shares are held through letters of assignment in favor of the Parent Company.

The above subsidiaries have been compiled based on management data prepared by the subsidiaries' management as on June 30, 2021.

\*\* There is a dispute between Al Mal Saudi Investment Company W.L.L. And the General Authority for Zakat and Income regarding the Zakat assessment for the last years from its establishment up to date with total amounts estimated by the Zakat Authority 20,874,790 Saudi riyals (equivalent to 1,681,943 Kuwaiti dinars).The provision for zakat and tax calculated above may not match the value of zakat and tax calculated according to the forms submitted to the authority.

#### **Disposal of subsidiaries in 2019**

During the year ended 31 December 2019, the Group lost control over its former subsidiaries, First Al-Mal Real Estate K.S.C. (Closed) and Diyar Al-Kuwait Real Estate Company K.S.C. (Closed) ("Diyar") through the swap of assets agreement (the "swap"). The swap involves exchange of 76.57% of the former subsidiary First Al-Mal Real Estate K.S.C. (Closed) which in turn owns 20% of Diyar, in exchange for 40% equity interest in Armila Capital Limited, a company incorporated and registered in England and Wales (note 11).

Following is the consequence of the swap of assets agreement signed on 10 June 2019:

- The Group ceased consolidating Diyar however, classified its retained interest of 40.25% amounting to KD 4,244,966 as investment in an associate due to loss of control and retention of significant influence through representation in the Board of Directors (note 11).
- The Group ceased consolidating First Al-Mal Real Estate K.S.C. (Closed) as it disposed the 76.56% direct equity interest in addition to 14.14% indirect equity interest held by a former subsidiary (Diyar).
- The Group recognised 40% equity interest in Armila Capital Limited as an investment in associate amounting to KD 1,141,741 (note 11).

As at October 14, 2021, the Board of Directors of Al Mal Qatari Holding terminated the previous swap contract, and First Al Mal Real Estate Company will be consolidated again starting from October 14, 2021 (note 24).

	<b>March 10, 2019</b>
	<b>KD</b>
Cash and cash equivalent	1,503,189
Financial assets at fair value through income statement	418,496
Receivables and other debit balances	157,511
real estate investments	11,971,929
property and equipment	47,778
	<u>14,098,903</u>
<b>Liabilities</b>	
Payables and other credit balances	336,191
Murabaha payables	3,179,001
Employees' end of service benefits	119,070
	<u>3,634,262</u>
	<u>10,464,641</u>
Derecognition of non-controlling interests	<u>(4,675,627)</u>
<b>Net assets derecognised</b>	<u>5,789,014</u>
Consideration:	<u>(5,789,014)</u>
Less: assets recognised in the swap agreement (Note 11 (a) & (b))	<u>---</u>

## 7 - Cash and cash equivalent

	June 30, 2021	(Audited) December 31, 2020	June 30, 2020
	KD	KD	KD
Cash on hand and bank balances	469,455	326,979	159,357
Cash with portfolio managers	1,984	6,135	6,223
	<u>471,439</u>	<u>333,114</u>	<u>165,580</u>

## 8 - Investments at fair value through statement of income

	June 30, 2021	(Audited) December 31, 2020	June 30, 2020
	KD	KD	KD
Quoted Securities	72,316	72,909	88,643
Unquoted securities	713,387	689,237	715,537
Mutual funds	632,947	522,989	443,202
Investment portfolios	15,639	22,467	28,272
	<u>1,434,289</u>	<u>1,307,602</u>	<u>1,275,654</u>

The movement during the period / year for the investment at fair value through statement of income is as follows:

	June 30, 2021	(Audited) December 31, 2020	June 30, 2020
	KD	KD	KD
Balance at beginning of the period/year	1,307,602	1,397,305	1,397,305
Additions	---	3,863	3,863
Disposals	( 32,593)	( 271,654)	( 75,278)
Change in fair value	159,280	178,088	( 50,236)
Balance at end of the period/year	<u>1,434,289</u>	<u>1,307,602</u>	<u>1,275,654</u>

The valuation techniques of investments at fair value through statement of income are disclosed in Note (21).

## 9 - Receivables and other debit balances

	June 30, 2021	(Audited) December 31, 2020	June 30, 2020
	KD	KD	KD
*Refundable development expenses	17,808,246	17,808,246	17,808,246
**Less: provision for expected credit losses	( 16,040,318)	( 16,040,318)	( 16,040,318)
	<u>1,767,928</u>	<u>1,767,928</u>	<u>1,767,928</u>
***Advances	1,189,703	1,189,703	1,189,703
Less: Impairment	( 1,189,703)	( 1,189,703)	( 1,189,703)
	<u>---</u>	<u>---</u>	<u>---</u>
Accounts receivable	68,866	68,866	68,866
**Less: provision for expected credit losses	( 68,866)	( 68,866)	( 68,866)
	<u>---</u>	<u>---</u>	<u>---</u>
Due from related parties (Note 17)	594,948	600,198	536,012
**Less: provision for expected credit losses	( 146,549)	( 59,899)	( 16,574)
	<u>---</u>	<u>---</u>	<u>136,410</u>
Staff receivables	---	---	628,705
Other debit balances	645,269	620,130	628,705
**Less: provision for expected credit losses	( 264,218)	( 264,218)	( 259,609)
	<u>381,051</u>	<u>355,912</u>	<u>505,506</u>
	<u>2,597,378</u>	<u>2,584,139</u>	<u>2,792,872</u>

The movement during the period / year for the provision for expected credit losses is as follows:

	(Audited)		
	June 30, 2021 KD	December 31, 2020 KD	June 30, 2020 KD
Balance at beginning of the period/year	16,433,301	16,385,367	16,385,367
Additions for the period/year	86,650	47,934	---
Balance at end of the period/year	<u>16,519,951</u>	<u>16,433,301</u>	<u>16,385,367</u>

\*Refundable development expenses represent development costs incurred for developing "Prince Musaed Abdul Aziz Bin Musaed" economic city in the Kingdom of Saudi Arabia (the "Project"), under the development agreement signed between the Parent Company, and the Economic Cities Authority-Kingdom of Saudi Arabia ("ECA"). During the year ended 31 December 2014, ECA announced the termination of the development agreement and the assignment of the project to Governmental parties. As a result, during the year ended 31 December 2016, the Parent Company filed a legal case against ECA to recover the refundable development expenses.

Management believes that, based on the terms and conditions of the development agreement and consultations with legal advisors, the refundable development expenses are reimbursable in full. However, management applied the guidelines of the Central Bank of Kuwait and recorded a provision to the extent of the refundable development expenses less certain direct dues to ECA related to the project amounting to KD 1,767,928 as at 30 June 2020 (31 December 2020 and 31 June 2020: KD 1,767,928) (included in accounts payable and other credit balances) for which ECA requested these dues to be paid through the same legal case. Accordingly, a provision for expected credit losses of KD 16,040,318 (31 December 2020 and 31 June 2020: KD 16,040,318) has been provided in prior years.

- On 25 June 2019, a first instance judgment has been issued by the Administrative Court of Jeddah rejecting the legal case and obliging the Parent Company to settle Saudi Riyal 22,500,000 (equivalent to KD 1.82 million) to ECA. On 17 October 2019, the Group appealed the judgment to the Administrative Court of Appeal in Makkah.

- On 23 January 2020, the Administrative Court of Appeal in Makkah has confirmed the first instance judgment issued by the Administrative Court of Jeddah.

- On 3 March 2020, the Parent Company filed an objection to the Supreme Court.

- On June 24, 2021, the Supreme Court set a date for the hearing on August 8, 2021. The session has been postponed to December 8, 2021. On December 15, 2021 the objection was accepted before the Supreme Court, and no judgment hearing has been set to date.

\*\* The advance payments include an amount of 1,022,769 Kuwaiti dinars as on June 30, 2021 (December 31, 2020: 1,022,769 Kuwaiti dinars and June 30, 2020: 1,022,769 Kuwaiti dinars) paid for the purchase of real estate in the Syrian Arab Republic. The legal procedures to transfer the legal ownership of the real estate to the parent company are still in progress until the date of the issuance of the interim condensed consolidated financial information for the three-month period ended on June 30, 2021.

#### 10 - Investments at fair value through other comprehensive income

	(Audited)		
	June 30, 2021 KD	December 31, 2020 KD	June 30, 2020 KD
Unquoted securities	2,874,328	2,874,328	2,874,328
Provision for cumulative impairment in value	( 862,299)	( 287,433)	---
	<u>2,012,029</u>	<u>2,586,895</u>	<u>2,874,328</u>



The movement during the period / year is as follows:

	(Audited)		
	June 30, 2021 KD	December 31, 2020 KD	June 30, 2020 KD
Balance at beginning of the period/year	287,433	---	---
Impairment loss in value	574,866	287,433	---
Balance at end of the period/year	862,299	287,433	---

- This represents the Group's investment in Zone Advanced General Trading Company W.L.L. ("Zone"), a former associate, that has been reclassified from investment in associates during the year ended 31 December 2019 (note 11(c)).

- Valuation techniques of financial asset at fair value through other comprehensive income ("FVOCI") are disclosed in note (21).

### 11- Investment in associate companies

The Group's investment in an associate company is as follows:

Associate company name	country of Incorporation	Share in equity			Book Value		
		(Audited)			(Audited)		
		June 30, 2021 %	December 31, 2020 %	June 30, 2020 %	June 30, 2021 %	December 31, 2020 %	June 30, 2020 %
*Diyar Al-Kuwait Real Estate Company K.S.C.(Closed)	Kuwait	%40.25	%40.25	%40.25	5,972,525	6,015,344	5,931,612
**Armila Capital Limited	United Kingdom	%40	%40	%40	1,143,124	1,143,124	1,110,360
**MAC SA, Stock Brokerage Company	Tunisia	%48	%48	%48	318,790	340,627	167,122
					7,434,439	7,499,095	7,209,094

\*The share of results of this associate has been recognized for the six-month period ended June 30, 2021 based on financial information prepared by management of the associate as at June 30, 2021.

\*\*The share of results of these associates for the three-month period ending on March 31, 2021 has been recognized on the basis of the financial information prepared by the management of the associate company as on June 30, 2020 and the management of the parent company has not made adjustments to any material transactions for the period from July 1, 2020 to March 31, 2021 due to the termination of the asset swap agreement contract shown in note 24.

\*\*\* The share of the results of these associates for the six-month period ended on June 30, 2021 has been recognized on the basis of the financial information prepared by the management of the associate companies as at March 31, 2021 adjusted for any material transactions for the period from January 1, 2021 to June 30, 2021.

The movement in investments in an associate company during the period/year was as follows:

	(Audited)		
	June 30, 2021 KD	December 31, 2020 KD	June 30, 2020 KD
Balance at beginning of the period/year	7,499,095	7,252,942	7,252,942
Share of results of associates	( 40,535)	164,561	( 28,230)
Reclassified to financial assets at fair value through income statement (D)	( 11,154)	83,011	37,833
Foreign currency translation differences	( 12,967)	( 1,419)	( 53,451)
Balance at end of the period/year	7,434,439	7,499,095	7,209,094

a. During the period ended 30 June 2019, the Group lost control over its former subsidiary Diyar Al- Kuwait Real Estate Company K.S.C. (Closed) ("Diyar") through a swap of assets agreement however, retained significant influence in Diyar through representation in the Board of Directors (Note 6).

b. During the year ended 31 December 2019, the Group acquired 40% equity interest in Armila Capital Limited through a swap of assets agreement (note 6).

c. During the year ended 31 December 2019, the Group's investment in Zone Advanced General Trading Company W.L.L. ("Zone"), a former associate, has been reclassified from investment in associates to financial asset at fair value through other comprehensive income ("FVOCI") at its carrying value amounted to KD 2,874,328 (note 10).

d. During the year ended 31 December 2019, the Group's investment in United Insurance Company ("UIC"), a former associate, has been reclassified from investment in associates to financial assets at fair value through profit or loss ("FVPL") as a result of loss of significant influence over this former associate as the Group no longer has representation in the Board of Directors of this former associate (Note 8). The investment in UIC has been reclassified at fair value on the date of reclassification based on a fair valuation carried out by an external valuer.

The summarised financial information in respect of the Group's significant associates is set out below:

**a. Diyar Al Kuwait Real Estate Company K.S.C.**

The financial position of the associate company:

	(Audited)		
	June 30, 2021	December 31, 2020	June 30, 2020
	KD	KD	KD
Total assets	23,846,800	23,947,772	23,444,018
Total Liabilities	( 1,100,143)	( 1,067,898)	( 1,017,514)
	22,746,657	22,879,874	22,426,504
Less: non-controlling interests	( 9,029,353)	( 9,056,189)	( 8,810,852)
Net assets	13,717,304	13,823,685	13,615,652
Group's share of the associate's net assets	5,521,215	5,564,033	5,480,300
Goodwill	451,312	451,312	451,312
Carrying amount	5,972,527	6,015,345	5,931,612

**Associate's revenue and results:**

	For the six months ended 30 June	
	2021	2020
	KD	KD
Income	18,388	26,291
Expenses and other charges	( 98,382)	( 52,714)
Profit (loss) for the period	( 79,994)	( 26,423)
Other comprehensive income	( 27,712)	93,995
Group's share of results of the associate	( 31,664)	( 10,635)
Group's share of other comprehensive income of the associate	( 11,154)	37,833

**Diyar's acquisition**

During the year ended 31 December 2019, Diyar Al-Kuwait Real Estate Company K.S.C. (Closed) ("Diyar") acquired 50.82% equity interest in Egyptian Saudi Company for Touristic and Real Estate Investment S.A.E. ("ESTRICO"), a real estate company incorporated and registered in the Arab Republic of Egypt at a purchase consideration of KD 2,111,415.

(ii) Armila Capital Limited

The financial position of the associate company:

	(Audited)		
	June 30, 2021	December 31, 2020	June 30, 2020
	KD	KD	KD
Total assets	535,908	535,908	625,025
Total Liabilities	( 198,534)	( 198,534)	( 409,125)
Net assets	337,374	337,374	215,900
Group's share of the associate's net assets	134,950	134,950	86,360
Goodwill	1,055,504	1,055,504	1,055,504
Less: impairment in value	( 31,504)	( 31,504)	( 31,504)
Carrying amount	1,158,950	1,158,950	1,110,360

Associate's revenue and results:

	For the six months ended June 30	
	2021	2020
	KD	KD
Income	405,262	356,553
Expenses and other charges	(250,978)	(174,288)
Profit for the period	154,284	182,265
Group's share of results of the associate	61,713	72,906

**12 – Account payable and other credit balances**

	(Audited)		
	June 30, 2021	December 31, 2020	June 30, 2020
	KD	KD	KD
Trade Payable	258,820	218,725	71,321
Subcontractor's payable *	1,812,891	1,812,891	1,812,891
Accounts payable for investment in a project	3,195,843	3,197,979	3,201,965
accrued expenses	118,543	54,760	107,971
Payable professional fees	838,191	837,949	837,949
Other payables	80,896	80,234	79,988
	6,305,184	6,202,538	6,112,085

\*The subcontractor's payables includes an amount of KD 1,767,928 (2020: KD 1,767,928) relating to the project and the legal dispute as shown in Note 9.

**13 - Bond payables**

	(Audited)		
	June 30, 2021	December 31, 2020	June 30, 2020
	KD	KD	KD
Bond payables	900,000	900,000	900,000

During the previous years, the Group had reached settlement agreements with bond holders regarding maturing bonds amounting to 11,088,000 Kuwaiti dinars, and as a result of these agreements, one of the Group's foreign subsidiaries purchased approximately 92.5% of the issued bonds.

On October 17, 2019, the bondholders agreed to extend the maturity date of the issued bonds to November 18, 2022.

On November 26, 2014, the bond holders of KD 900,000 (Kuwait Investment Authority) filed a lawsuit against the parent company to recover the full face value of the bonds.

On January 24, 2019, the High Court rejected the lawsuit submitted by the International Investment Authority and obligated the parent company to pay the value of the unpaid coupon amounting to 46,762 Kuwaiti dinars, and the lawsuit expenses. The ruling was appealed by the General Investment Authority.

On May 22, 2019, the Court of Appeal rejected the appeal submitted by the General Investment Authority and upheld the judgment issued by the High Court. The General Investment Authority has appealed the ruling to the Court of Cassation.

On October 31, 2019, the Court of Cassation rejected the appeal and obligated the parent company to pay the value of the unpaid coupon in the amount of 46,762 Kuwaiti dinars and the lawsuit expenses in the amount of 13,953 Kuwaiti dinars. As a result, the Parent Company has recognized a provision against these amounts in the interim consolidated financial information for the period ended June 31, 2021 (included under accounts payable and other credit balances).

On October 17, 2019, the bond holders agreed to extend the maturity date of the issued bonds to November 18, 2022.

#### 14 - Share capital

The Company's authorized, issued, and paid up share capital is KD 31,024,591 (31 December 2020: KD 31,024,591 and 31 June 2020: KD 31,024,591) comprising of 310,245,910 shares (31 December 2020 310,245,910 and 31 June 2020: 310,024,591 ), of 100 fils each, shares paid in cash.

#### 15 – Net investments income (Loss)

	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2020	2021	2020
	KD	KD	KD	KD
Change in fair value of investments at fair value through statement of income	63,286	1,229	159,280	( 50,236)
(Loss) on sale of investments at fair value through statement of income	---	( 16,947)	---	( 16,947)
Interest income	55	8	2,969	3,279
Dividend income	7,438	927	8,802	1,837
	<u>70,779</u>	<u>( 14,783)</u>	<u>171,051</u>	<u>( 62,067)</u>

#### 16 – General and administrative expenses

	For the three months ended		For the six months ended	
	June 30		June 30	
	2021	2020	2021	2020
	KD	KD	KD	KD
Staff cost	37,583	34,091	72,626	90,057
Rents	8,400	10,133	18,082	24,132
professional fees	4,023	7,701	7,038	24,220
Subscriptions	4,450	2,286	10,015	5,306
Other	1,851	7,494	2,426	12,151
	<u>56,307</u>	<u>61,705</u>	<u>110,187</u>	<u>155,866</u>

### 17- Related parties

represent major shareholders, directors and key management personnel, their close family members and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Balances and transactions with related parties are as follows:

Interim condensed consolidated statement of financial position:	(Audited)		
	June 30, 2021 KD	December 31, 2020 KD	June 30, 2020 KD
Due from related parties (included in accounts receivable and debit balances) (Note 9)	433,247	433,247	433,247
Zone Advanced General Trading Company W.L.L.	64,208	69,458	5,272
Diyar Al-Kuwait Real Estate Company K.S.C. (Closed)	97,493	97,493	97,493
Armila Capital Limited	594,948	600,198	536,012
Less: provision for expected credit losses	( 146,549)	( 59,899)	( 16,574)
	<u>448,399</u>	<u>540,299</u>	<u>519,438</u>

Amounts due from related parties don't carry any interest and are collected on demand.

	Three months ended June 30		Six months ended June 30	
	2021 KD	2020 KD	2021 KD	2020 KD
Interim condensed consolidated statement of income				
Management and consulting fees	---	---	---	---
Key management compensation				
Salaries and other short-term benefits	---	8,282	---	16,564
End of service benefits	---	720	---	1,440

\*Commits fees and other provisions are subject to the approval from the annual general assembly of shareholders.

### 18- Basic and diluted (loss) per share attributable to the shareholders of the parent company (fils)

Basic and diluted (loss) per share are calculated by dividing the profit (loss) for the period by the weighted average number of shares outstanding during the period.

	Three months ended June 30		Six months ended June 30	
	2021 KD	2020 KD	2021 KD	2020 KD
(Loss) for the period attributable to the shareholders of the parent company	( 362,313)	( 131,090)	( 625,297)	( 194,549)
Weighted average number of shares outstanding (shares)	310,245,910	310,245,910	310,245,910	310,245,910
Basic and diluted earnings (loss) per share (fils) attributable to the shareholders of the parent company	<u>( 1.17)</u>	<u>( 0.42)</u>	<u>( 2.02)</u>	<u>( 0.63)</u>

### 19- Annual General Assembly Meeting

The annual general assembly of the shareholders of the parent company, held on September 17, 2020, approved the following:

- The group's consolidated financial statements for the financial year ended December 31, 2019.

Furthermore, an auditor has been appointed to review the consolidated financial statement for the year ended December 31, 2020 and December 31, 2021 by the Parent Company's Board of Directors. This appointment was approved at the annual general assembly of shareholders of the parent company held on September 5, 2021.



## 20- Segmental information

The Group identifies its operating segments 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. The Parent Company's Chief Executive Officer is the Group's chief operating decision maker and has grouped the Group's operations into the following operating segments.

Real estates	Represents real estate management and lease activities.
Asset Management	Represents management of different investment portfolios for others.
Communication services	Represents communication services and operations.
	Represents establishing or purchasing specialised companies or securities in those companies.

The following is an analysis of the group's revenues and results by operating segment:

	June 30, 2021				
	Real estates KD	Investments KD	Finance KD	Undistributed KD	Total KD
Segment net (loss) revenue	---	127,547	2,969	18,164	148,680
Segmental expenses and other charges	---	( 661,516)	( 2,084)	( 110,187)	( 773,787)
Segment results	---	( 533,969)	885	( 92,023)	( 625,107)
<b>Segment assets and liabilities</b>					
Segment assets	39,635	12,806,450	---	1,143,124	13,989,209
Segment liabilities	---	6,261,452	960,358	---	7,221,810

  

	June 30, 2020				
	Real estates KD	Investments KD	Finance KD	Undistributed KD	Total KD
Segment net revenue (loss)	---	17,764	3,271	4,763	25,798
Segmental expenses and other charges	---	---	( 1,125)	( 387,065)	( 388,190)
Segment results	---	17,764	2,146	( 382,302)	( 362,392)
<b>Segment assets and liabilities</b>					
Segment assets	40,230	11,458,076	---	2,958,452	14,456,758
Segment liabilities	---	3,112,672	---	4,026,355	7,139,027

## 21- Fair value of financial instruments

### Credit risk:

Financial assets on which the company focuses on credit risk consist mainly of cash and cash equivalents. Cash and cash equivalents are deposited with highly efficient financial institutions. Credit risk in relation to receivables is limited based on the number of clients and their good reputation.

### Account receivable and other debit balances

The Company applies the simplified model in IFRS 9 to achieve expected credit losses over the life of the instrument for all trade receivables since these items do not have a material financing factor. In measuring expected credit losses, receivables were assessed on a group basis respectively and were classified based on common credit risk characteristics and maturity period.

Trade receivables (ie derecognition) are written off when there is no reasonable prospect of recovery. The default in 365 days from the date of the invoice and the inability to make an alternative payment arrangement - among other things, is an indication of an unreasonable expectation of recovery and is therefore considered to be a decline in the value of the credit.

### Foreign currency risk:

The company is keen to keep the net exposure to foreign currency risk to a reasonable level through dealing in currencies that do not fluctuate materially against the Kuwaiti dinar.



**Equity price risk:**

Equity price risk is the risk that the value of financial instruments will fluctuate as a result of changes in equity prices. The equity price risk exposure arises from the Group's investment in equity securities classified as Investments at fair value through profit or loss ("FVPL") and financial asset at fair value through other comprehensive income ("FVOCI"). The Group manages this risk by diversifying its investments on the basis of the pre-determined asset allocations across various categories, continuous appraisal of market conditions and trends and management estimate of long and short term changes in fair value.

The following table demonstrates the sensitivity of the changes in fair value to reasonably possible changes in equity prices, with all other variables held constant. The estimated change in equity prices is determined at (±) 5% (2020: (±) 5%).

	Effect on loss for the year and equity	
	2021 KD	2020 KD
Investments at fair value through statement of income	71,714	63,783

  

	Effect on other comprehensive income	
	2021 KD	2020 KD
Investments at fair value through statement of other comprehensive income	100,601	143,716

**Liquidity risk:**

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a daily basis.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group's non-derivative financial liabilities based on the remaining period at the consolidated financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**June 30, 2021**

	3 to 12 months	1 to 2 year	Total KD
Accounts payable and other credit balances	6,305,184	---	6,305,184
Bonds payables	---	900,000	900,000
Unquoted securities	6,305,184	900,000	7,205,184

**December 31, 2020**

	3 to 12 months	1 to 2 year	Total KD
Accounts payable and other credit balances	6,202,538	---	6,202,538
Bonds payables	---	900,000	900,000
	6,202,538	900,000	7,102,538

**June 30, 2020**

	<u>3 to 12 months</u>	<u>1 to 2 year</u>	<u>Total KD</u>
Accounts payable and other credit balances	6,112,085	---	6,112,085
Bonds payables	---	900,000	900,000
	<u>6,112,085</u>	<u>900,000</u>	<u>7,012,085</u>

**Fair value:**

The 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.

In the opinion of the Company's management, the estimated fair value of financial assets and liabilities are not materially different from their carrying values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (for example, price inputs).
- Level 3: Inputs derived from valuation techniques that include inputs for assets or liabilities that are not based on market data and are supported by identifiable sources (inputs not supported by identifiable sources).

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

**June 30, 2021**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total KD</u>
<b>Investments at fair value through statement of income</b>				
Quoted securities	72,316	---	---	72,316
Unquoted securities	---	713,386	---	713,386
Mutual funds	---	632,948	---	632,948
Investment portfolios	---	15,639	---	15,639
	<u>72,316</u>	<u>1,361,973</u>	<u>---</u>	<u>1,434,289</u>
<b>Investments at fair value through other comprehensive income</b>				
Unquoted security	---	---	2,012,029	2,012,029
	<u>---</u>	<u>---</u>	<u>2,012,029</u>	<u>2,012,029</u>

**December 31, 2020**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total KD</u>
<b>Investments at fair value through statement of income</b>				
Quoted securities	72,909	---	---	72,909
Unquoted securities	---	586,051	103,185	689,236
Mutual funds	---	522,990	---	522,990
Investment portfolios	---	22,467	---	22,467
	<u>72,909</u>	<u>1,131,508</u>	<u>103,185</u>	<u>1,307,602</u>
<b>Investments at fair value through other comprehensive income</b>				
Unquoted security	---	---	2,586,895	2,586,895
	<u>---</u>	<u>---</u>	<u>2,586,895</u>	<u>2,586,895</u>





June 30, 2020

	Level 1	Level 2	Level 3	Total KD
<b>Investments at fair value through statement of income</b>				
Quoted securities	88,643	---	---	88,643
Unquoted securities	---	---	715,537	715,537
Mutual funds	---	313,485	129,717	443,202
Investment portfolios	---	---	28,272	28,272
	<u>88,643</u>	<u>313,485</u>	<u>873,526</u>	<u>1,275,654</u>
<b>Investments at fair value through other comprehensive income</b>				
Unquoted security	---	---	2,874,328	2,874,328
	---	---	<u>2,874,328</u>	<u>2,874,328</u>

The fair value of financial instruments that are traded in active markets is based on the market prices announced at the reporting date. The market is classified as an active market if the announced prices are quickly and regularly available from the stock exchange, dealer, broker, sector group, pricing services, or regulatory authority. Prices Actual and regular market transactions are based on purely commercial transactions. The quoted market price used for financial assets held by the Group is the current purchase price. These instruments are included in Level 1

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation methods double the use of published market data when available and rely as little as possible on the entity's specific estimates. If all significant inputs to the fair value of a financial instrument are declared, the instrument is included in Level 2. If one or more of the inputs is not based on declared market data, the instrument is included in level 3. There were no transfers between levels 1, 2 and 3 during the period/year.

## 22 – Fiduciary assets

The group manages mutual funds and portfolios on behalf of others and maintains securities in fiduciary accounts, and these accounts are not included in the group's interim condensed consolidated financial information. Assets under management amounted to 5,617,265 KD as on June 30, 2021 (December 31, 2020: KD 4,481,804, June 30, 2020 KD 4,826,648).

## 23- Significant Event

This significant event is represented by the outbreak of the new Corona virus pandemic, which affected the global markets as well as the Kuwait market, which may have an impact on the net assets and business results of the group.

The parent company's management will take into account the impact of the emerging corona virus pandemic on the company's net assets and business results, and this impact cannot be estimated reliably as of the date of issuing the condensed interim financial information, and the results and effects of this virus are still unknown because they are based on the size and duration The continuation of these events.

## 24- Subsequent Events

A- The new board of directors of one of Al Mal's subsidiary companies – Al Mal Qatar Holding Company (KSCC) – which is 97.5 % owned by Al Mal Investment Company, at its meeting held on October 14, 2021, cancelled the asset swap agreement contract that was previously approved by the Board of Directors. The old management between Al Mal Qatar Holding Company (KSCC) and the Kuwaiti European Holding Company (KSC) on June 10, 2019. Accordingly, the necessary and legal measures will be taken in this regard.

B- On November 9, 2021, a judgment of the first degree was issued by the Court of First Instance in Kuwait obligating the parent company to pay the accrued amount of 181,528 KD to the Ministry of Finance for the value of KFAS for the fiscal year 2015, the group appealed this ruling to the Administrative Court in Kuwait.

C- On November 10, 2021, a judgment of the first degree was issued by the Court of First Instance in Kuwait to cancelled the share contract dated January 15, 2007 and obligate the parent company to pay an amount of KD 2,436,500 to Abdul-Hussein Ali Hussein Khaja. The group appealed this ruling to the Administrative Court in Kuwait.