

**Al Madar Finance and Investment Company K.S.C. (Public)
and its Subsidiaries
State of Kuwait**

Interim condensed consolidated financial information (unaudited)
And Review Report for the Nine Month Period Ended 30 September 2020

Al Madar Finance and Investment Company K.S.C. (Public) and its Subsidiaries
State of Kuwait

Interim condensed consolidated financial information (unaudited)

For the nine month period ended 30 September 2020

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**MESSRS. BOARD OF DIRECTORS OF
AL MADAR FINANCE AND INVESTMENT COMPANY K.S.C. (PUBLIC) AND ITS
SUBSIDIARIES
STATE OF KUWAIT**

Report on Review of the Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the interim condensed consolidated financial information of Al Madar Finance and Investment Company K.S.C. (Public) ("the Parent Company") and its subsidiaries (together referred to as "the Group") which comprise the interim condensed consolidated statement of financial position as at 30 September 2020, and the interim condensed consolidated statements of income, comprehensive income, changes in equity and related cash flows for the nine month period then ended. The preparation and fair presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Report on Other Legal and Regulatory Requirements

Furthermore, 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 nothing has come to our attention indicating any material violations during the nine month period ended 30 September 2020, of Companies Law No. 1 of 2016, and its executive regulations, as amended, Law No. 7 of 2010 concerning establishment of Capital Markets Authority and organization of securities activity and its executive regulations, or the Parent Company's memorandum of incorporation and articles of association, as amended, that would materially affect the Group's activities or its interim condensed consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations during the nine month period ended 30 September 2020 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 regulations.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf and Partners

Kuwait: 8 November 2020

Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

As at 30 September 2020

	Notes	30 September 2020 KD	31 December 2019 (Audited) KD	30 September 2019 KD
ASSETS				
Cash and bank balances		1,357,912	4,338,781	2,528,803
Financial assets at fair value through profit or loss	4	1,581,287	979,557	768,753
Accounts receivable and other debit balances	5	4,791,177	11,948,852	14,166,870
Due from related parties	6	192	316	316
Financial assets at fair value through other comprehensive income	7	38,246	41,400	52,222
Investment properties	8	21,586,259	10,044,359	8,813,866
Investment in an associate	9	446,960	434,369	328,731
Property, plant and equipment		26,442	28,111	28,686
Total assets		29,828,475	27,815,745	26,688,247
LIABILITIES AND EQUITY				
LIABILITIES				
Accounts payable and other credit balances	10	2,480,609	2,409,933	2,470,776
Due to related parties	6	3,591,776	341,776	343,510
Employees' end of service indemnity		381,643	367,219	373,370
Total liabilities		6,454,028	3,118,928	3,187,656
EQUITY				
Share capital		21,386,865	21,386,865	21,386,865
Statutory reserve		127,140	127,140	-
Share premium		4,990,296	4,990,296	4,990,296
Treasury shares	11	(4,573,296)	(4,573,296)	(4,573,296)
Change of fair value reserve for financial assets at fair value through other comprehensive income		510	(4,600)	1,221
Foreign currency translation reserve		(68,888)	(61,086)	(83,384)
Other reserve		(122,147)	(122,147)	(122,147)
Proposed dividends		-	1,035,118	-
(Accumulated losses) / retained earnings		(170,123)	50,633	387
Total equity attributable to shareholders of the Parent Company		21,570,357	22,828,923	21,599,942
Non-controlling interests		1,804,090	1,867,894	1,900,649
Total equity		23,374,447	24,696,817	23,500,591
Total liabilities and equity		29,828,475	27,815,745	26,688,247

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.


Hamad Saleh Hamad Al Thekeir
Vice Chairman

Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income (Unaudited)
For the nine month period ended 30 September 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 KD	2019 KD	2020 KD	2019 KD
Continued operations					
Income					
Rental income		116,900	185,802	315,955	661,147
Investment services (expenses) / revenues		(2,882)	(2,235)	913	35,728
Change in fair value of financial assets at fair value through profit or loss		81,962	(37,644)	(182,716)	(32,594)
Realized (losses) / profits on sale of financial assets at fair value through profit or loss		(9,311)	(60,729)	213,158	(57,179)
Cash dividends		21,438	-	203,493	20,288
Group's share in business results of an associate		22,619	29,621	42,565	37,071
Loss from sale of investment properties		-	(323,000)	-	(304,834)
Write back of provision for expected credit losses		-	491,271	-	563,968
Realized profit from settlement of wakala payables		-	-	-	114,020
Other income		7,871	19,156	18,865	36,165
Total income		<u>238,597</u>	<u>302,242</u>	<u>612,233</u>	<u>1,073,780</u>
Expenses and other charges					
General and administrative expenses		233,052	472,878	731,839	1,196,284
Provision for expected credit losses		-	129,570	72,750	129,570
Finance costs		-	17,858	-	79,169
Total expenses and other charges		<u>233,052</u>	<u>620,306</u>	<u>804,589</u>	<u>1,405,023</u>
Profit / (loss) for the period from continued operations		<u>5,545</u>	<u>(318,064)</u>	<u>(192,356)</u>	<u>(331,243)</u>
Discontinued operations					
Profit for the period from discontinued operations		-	379,249	-	592,359
Net profit/(loss) for the period		<u>5,545</u>	<u>61,185</u>	<u>(192,356)</u>	<u>261,116</u>
Attributable to:					
The Parent Company's shareholders		(4,886)	50,073	(215,385)	173,783
Non-controlling interests		10,431	11,112	23,029	87,333
Profit / (loss) for the period		<u>5,545</u>	<u>61,185</u>	<u>(192,356)</u>	<u>261,116</u>
Basic and diluted loss per share for the period from the continued operations attributable to the shareholders of the Parent Company (fils)	12	<u>(0.024)</u>	<u>(1.59)</u>	<u>(1.04)</u>	<u>(2.02)</u>
Basic and diluted earnings per share for the period from the discontinued operations attributable to the shareholders of the Parent Company (fils)	12	<u>-</u>	<u>1.83</u>	<u>-</u>	<u>2.86</u>

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the nine month period ended 30 September 2020

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	KD	KD	KD	KD
Net profit / (loss) for the period	5,545	61,185	(192,356)	261,116
Other comprehensive income items:				
<i>Items that will not be reclassified subsequently in the interim condensed consolidated statement of income:</i>				
Change in fair value of financial assets at fair value through other comprehensive income	(22)	349	(261)	259
Foreign currency translation reserve	7,458	20,412	(7,802)	25,087
Total other comprehensive income / (loss)	7,436	20,761	(8,063)	25,346
Total other comprehensive income / (loss) for the period	12,981	81,946	(200,419)	286,462
Attributable to:				
The Parent Company's shareholders	2,550	70,834	(223,448)	199,129
Non-controlling interests	10,431	11,112	23,029	87,333
	12,981	81,946	(200,419)	286,462

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

**Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait**

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)
For the nine month period ended 30 September 2020

	Share capital KD	Share statutory reserve KD	Share premium Shares KD	Treasury shares KD	Change of fair value reserve for financial assets at fair value through other comprehensive income KD	Foreign currency translation reserve KD	Other reserve KD	Proposed dividends KD	(Accumulated losses) / retained earnings KD	Total equity attributable to shareholders of the Parent Company KD	Non- controlling interests KD	Total equity KD
At 1 January 2020	21,386,865	127,140	4,990,296	(4,573,296)	(4,600)	(61,086)	(122,147)	1,035,118	50,633	22,828,923	1,867,894	24,696,817
Net (loss)/ profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(261)	(7,802)	-	-	(215,385)	(215,385)	23,029	(192,356)
Total comprehensive (loss)/income for the period	-	-	-	-	(261)	(7,802)	-	-	(215,385)	(223,448)	23,029	(200,419)
Dividends (Note 15)	-	-	-	-	-	-	-	(1,035,118)	-	(1,035,118)	-	(1,035,118)
Derecognition of change in fair value of financial assets	-	-	-	-	-	-	-	-	-	-	-	-
stated at fair value through other comprehensive income	-	-	-	-	5,371	-	-	-	(5,371)	-	-	-
Impact of change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(86,833)	(86,833)
At 30 September 2020	21,386,865	127,140	4,990,296	(4,573,296)	510	(68,888)	(122,147)	-	(170,123)	21,570,357	1,804,090	23,374,447
At 1 January 2019	21,386,865	-	4,990,296	(4,573,296)	962	(108,471)	(122,147)	-	(173,396)	21,400,813	1,832,272	23,233,085
Net profit for the period	-	-	-	-	-	-	-	-	173,783	173,783	87,333	261,116
Comprehensive income for the period	-	-	-	-	259	25,087	-	-	-	25,346	-	25,346
Total comprehensive income for the period	-	-	-	-	259	25,087	-	-	173,783	199,129	87,333	286,462
Effect of disposal of subsidiaries	-	-	-	-	1,221	(83,384)	(122,147)	-	387	21,599,942	(18,956)	(18,956)
At 30 September 2019	21,386,865	-	4,990,296	(4,573,296)	1,221	(83,384)	(122,147)	-	387	21,599,942	1,900,649	23,500,591

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the nine month period ended 30 September 2020

		Nine months ended 30 September	
	Note	2020 KD	2019 KD
OPERATING ACTIVITIES			
Net (loss)/profit for the period		(192,356)	261,116
Adjustments:			
Depreciation and amortization		1,669	60,308
Finance costs		-	79,169
Change in fair value of financial assets at fair value through profit or loss		182,716	32,594
Realized (profits) / losses on sale of financial assets at fair value through profit or loss		(213,158)	57,179
Loss from sale of investment properties		-	304,834
Profits on sale of subsidiaries		-	(240,799)
Group's share in business results of an associate		(42,565)	(37,071)
Write back of provision for expected credit losses		-	(563,968)
Provision for expected credit losses	5	72,750	129,570
Provisions no longer required - Provision for employees' end of service indemnity		(1,668)	-
Realized profit from settlement of wakala payables		-	(114,020)
Employees' end of service indemnity		21,970	114,350
Operating (loss) / profit before calculating effect of changes in working capital items		(170,642)	83,262
Financial assets at fair value through profit or loss		-	(727,260)
Accounts receivable and other debit balances		44,925	916,658
Due from/to related parties - net		124	19,788
Accounts payable and other credit balances		70,676	(53,398)
Cash (used in) / generated from operations		(54,917)	239,050
Payment of employees' end of service indemnity		(5,878)	(286,114)
Net cash flows used in operating activities		(60,795)	(47,064)
INVESTING ACTIVITIES			
Paid for the purchase of property, plant and equipment		-	(5,286)
Proceeds on sale of financial assets at fair value through profit or loss		10,845,517	-
Paid for purchase of financial assets at fair value through profit or loss		(11,413,912)	-
Paid for acquisition of interests in an associate		-	(26,425)
Dividends received from associate		22,172	13,277
Proceeds from sale of subsidiary		7,000,000	240,000
Proceeds on sale of investment properties		40,000	9,224,715
Paid for purchase of investment properties		(8,291,900)	(2,445,000)
Net cash flows (used in)/ generated from investing activities		(1,798,123)	7,001,281
FINANCING ACTIVITIES			
Finance costs paid		-	(79,169)
Ijara payables		-	(2,325,673)
Net movement in wakala receivables		-	(3,977,746)
Cash dividends paid	15	(1,035,118)	-
Net movement in non-controlling interests		(86,833)	23,689
Net cash used in financing activities		(1,121,951)	(6,358,899)
Net (decrease) / increase in cash and bank balances		(2,980,869)	595,318
Impact of disposal of a subsidiary		-	(333,360)
Cash and bank balances at the beginning of the period		4,338,781	2,266,845
Cash and bank balances at the end of the period		1,357,912	2,528,803

The accompanying notes on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

**Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait**

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2020

1. GENERAL INFORMATION

Al Madar Finance and Investment Company K.S.C. (Public) ("the Parent Company") was incorporated on 23 November 1998. The Parent Company is registered with the Central Bank of Kuwait and Capital Markets Authority as an investment company. It is listed in Boursa Kuwait on 20 June 2005.

The Parent Company is principally engaged in the following activities in compliance with the Islamic Sharia as follows:

- Promoting and marketing shares and bonds of all types for the favor of the Company according to Islamic Shari'a.
- Investment in all types of movables whether for its own favor or for others by way of agency or brokerage except for the Company's trading in commodities for its favor.
- Lending, borrowing and financing international trading transactions as well as issue and exchange of Islamic bonds of all kinds and forms for its clients.
- Portfolio management as per relevant laws and according to Islamic Shari'a.
- Purchase, lease, acquisition, rent, licensing of all kinds of investment equipment and subsequent sale or disposal thereof.
- Carry out real estate investments for the Parent Company's account or for third parties.
- Providing research and studies and other technical services related to investment and employing funds for others.
- Establishing and managing investment funds as per relevant laws and regulations and after approval of concerned parties.

The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside the State of Kuwait or abroad. It may also incorporate, purchase or affiliate such entities.

The Parent Company is domiciled in Kuwait and its registered office is P.O. Box 1376, Safat 13014, Kuwait.

The Parent Company is subsidiary to Al Thekair General Trading and Contracting Company W.L.L. ("the Ultimate Parent Company").

The interim condensed consolidated financial information of Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries ("the Group") for the nine month period ended 30 September 2020 were authorized for issue by the Parent Company's board of directors on 8 November 2020.

2. BASIS OF PREPARATION

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the guidelines issued by the Capital Markets Authority ("CMA"), Kuwait Stock Exchange ("KSE") and the Central Bank of Kuwait ("CBK").

This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as modified for use by the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all IFRSs except for the requirements of IFRS 9: financial instruments related to the expected credit risk, which have been replaced by CBK instructions.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2020

2. BASIS OF PREPARATION (CONTINUED)

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

This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

Operating results for the nine month period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020. For further information, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2019.

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

The same accounting policies and calculation methods adopted in the consolidated financial statements for the year ended 31 December 2019 were adopted in the preparation of the interim condensed consolidated financial information, except for the adoption of the following new standards and amendments effective as of 1 January 2019. The nature and the effect of these changes are disclosed below. Although these new standards and amendments will be applied for the first time in 2019, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial information of the Group as follows:

- IFRS 16 - Leases.
- Amendments to IFRS 9: Benefits of advance payment with negative compensation
- Amendments to IAS 28: Long-term Investments in Associates and Joint Ventures.

Annual Improvements to IFRSs 2015-2017 Cycle (issued on December 2017) on the following:

- IFRS 3 - Business combinations.
- IFRS 11 - Joint arrangements
- IAS 23 - Borrowing Costs

3. SUBSIDIARIES

The details of subsidiaries are as follows:

Company's name	Country of Incorporation	Activity	Shareholding		
			30 September 2020	31 December 2019 (Audited)	30 September 2019
*Dar Al-Thuraya Real Estate Co. K.S.C. (Public)	State of Kuwait	Real estate	88.91%	88.35%	88.35%
Al Madar Real Estate Development Company K.S.C. (Closed)	State of Kuwait	Real estate	98.5%	98.5%	98.5%
Althuraya for Warehousing and Cold Storage K.S.C. (Closed)	State of Kuwait	Warehousing	96%	96%	96%

**Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries
State of Kuwait**

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2020

3. SUBSIDIARIES (CONTINUED)

During the period ended 30 September 2020, the Group has consolidated the interim condensed financial information of Al Madar Real Estate Development Company K.S.C. (Closed) and Althuraya for Warehousing & Cold Storage K.S.C. (Closed) based on interim financial information prepared by the management as at 30 September 2020.

During the period ended 30 September 2020, the Parent Company purchased 825,000 shares at KD 89,185 representing 0.563% in its subsidiary, Dar Al-Thuraya Real Estate Co. K.S.C. (Public), leading to increasing the Parent Company's share in its subsidiary to 88.91%.

*The interim condensed consolidated financial information includes the interim condensed financial information of Dar Al-Thuraya Real Estate Co. K.S.C. (Public) and its following subsidiaries:

Company's name	Country of Incorporation	Activity	Shareholding		
			30 September 2020	31 December 2019 (Audited)	30 September 2019
Althuraya Star Co. W.L.L.	State of Kuwait	General Trading and Contracting	99%	99%	99%
Kuwait Building Real Estate Company K.S.C. (Closed)	State of Kuwait	Real estate	96%	96%	96%
Golden Madar Real Estate Company W.L.L.	State of Kuwait	Real estate	98%	98%	98%

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Investment in quoted local shares	1,573,785	961,818	679,879
Investment in unquoted local shares	7,502	17,739	47,727
Investments in portfolio - local funds	-	-	41,147
	<u>1,581,287</u>	<u>979,557</u>	<u>768,753</u>

Valuation techniques for investments at fair value through statement of income are disclosed in Note 16.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2020

5. ACCOUNTS RECEIVABLE AND OTHER DEBIT BALANCES

	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Trade receivables	1,783,252	1,783,252	1,783,252
Less: provision for expected credit losses	(1,749,649)	(1,749,649)	(1,749,649)
	33,603	33,603	33,603
Receivables from sale of financial and real estate investments and services	2,625,140	2,665,140	5,542,982
Due from sale of subsidiary	-	7,000,000	7,000,000
Accrued rentals	42,397	83,387	32,499
Staff receivables	5,113	5,863	6,377
Prepaid expenses	966,586	1,264,894	925,672
Due from financial institutions	403,223	492,408	-
Other receivables	715,115	403,557	625,737
	<u>4,791,177</u>	<u>11,948,852</u>	<u>14,166,870</u>

- Receivables from sale of financial and real estate investments and services item has been presented after deducting the expected credit loss provision of KD 54,888 as at 30 September 2020 (31 December 2019: KD 54,888 and 30 September 2019: KD 54,888).
- Accrued rentals item has been presented after deducting the expected credit loss provision of KD 837,194 as at 30 September 2020 representing provisions recorded in subsidiaries (31 December 2019: KD 764,444 and 30 September 2019: KD 750,292).
- Other receivables item has been presented after deducting the expected credit loss provision of KD 17,001 as at 30 September 2020 (31 December 2019: KD 17,001 and 30 September 2019: KD 16,975).

The maximum exposure to credit risks at reporting date is the fair value of each class of receivables. The Group holds guarantees of KD 33,603 for trade receivables as at 30 September 2020 (31 December 2019: KD 33,603 and 30 September 2019: KD 33,603).

Analysis of provision for expected credit loss during the period / year/ period is as follows:

	30 September 2020	31 December 2019 (audited)	30 September 2019
	KD	KD	KD
Balance at 1 January	2,585,982	3,823,812	3,823,812
Charged during the period / year/ period	72,750	143,748	129,570
Write back provision for expected credit losses	-	(563,968)	(563,968)
Write off of provision	-	(385,304)	(385,304)
Related to disposal of subsidiaries	-	(432,306)	(432,306)
	<u>2,658,732</u>	<u>2,585,982</u>	<u>2,571,804</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the nine month period ended 30 September 2020

6. RELATED PARTY TRANSACTIONS

Related parties comprise of the Group's shareholders who are members of the Board of Directors, key management personnel, and subsidiaries in which the Parent Company has representatives in their board. In the normal course of business and subject to the approval of the Group's management, transactions were made with such parties during the period ended 30 September 2020. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Balances due from/to related parties and related party transaction are as follows:

	30 September 2020 KD	31 December 2019 (audited) KD	30 September 2019 KD
Interim condensed consolidated statement of financial position:			
Accounts payable and other credit balances			
- board of directors' remuneration	-	25,000	-
Due from related parties	192	316	316
Due to related parties	3,591,776	341,776	343,510

	Three months ended 30 September		Nine months ended 30 September	
	2020 KD	2019 KD	2020 KD	2019 KD
Interim condensed consolidated statement of income:				
Salaries and other short term benefits	27,419	15,583	106,771	46,673
End of service benefits	2,719	3,275	9,966	9,683
	30,138	18,858	116,737	56,356

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2020 KD	31 December 2019 (audited) KD	30 September 2019 KD
Investment in quoted local shares	2,052	2,314	2,350
Investment in unquoted local shares	-	2,892	13,678
Investment in unquoted foreign shares	36,194	36,194	36,194
	38,246	41,400	52,222

Financial assets at fair value through other comprehensive income include unquoted foreign shares at an actual cost of KD 3,698,839 (31 December 2019: KD 3,698,839 and 30 September 2019: KD 3,698,839) brought forward from 2009. Since these investments are the subject of a legal dispute, management decided to reduce the value of these investments in full in the previous years until they are finally resolved.

Valuation techniques of the financial assets at fair value through other comprehensive income are disclosed in Note 16.

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8. INVESTMENT PROPERTIES

	30 September 2020 KD	31 December 2019 (audited) KD	30 September 2019 KD
Investment properties			
Balance at beginning of the period/year/period	7,460,604	23,142,848	23,142,848
Additions	2,496,900	3,885,000	2,445,000
Disposals	-	(13,928,000)	(13,928,000)
Change in fair value	-	(41,293)	-
Foreign currency translation differences	-	(2,951)	-
Impact of disposal of a subsidiary	-	(5,595,000)	(5,595,000)
Balance at end of the period/year/period	9,957,504	7,460,604	6,064,848
Properties under development			
Balance at beginning of the period/year/period	2,583,755	3,351,567	3,351,567
Additions (a)	9,045,000	-	-
Disposals	-	(602,549)	(602,549)
Change in fair value	-	(163,115)	-
Foreign currency translation differences	-	(2,148)	-
Balance at end of the period/year/period	11,628,755	2,583,755	2,749,018
Balance at end of the period/year/period	21,586,259	10,044,359	8,813,866

(a) During the period ended 30 September 2020, one of the Group's subsidiary (Kuwait Building Real Estate Company K.S.C. Closed) purchased land in the State of Kuwait from a related party with a total amount of KD 9,045,000.

An investment property was recognized with amount KD 2,445,000 based on the initial purchase contract and special power of attorney. Transfer of ownership is in process during the subsequent period.

An investment property was recognized with amount KD 1,440,000 based on title deed / sale contract and mortgaged to a local bank.

9. INVESTMENT IN AN ASSOCIATE

The details of investments in associates are as follows:

Name of associate	Country of incorporation	Measurement method	Activity	Voting rights and equity interest %		
				30 September 2020	31 December 2019 (audited)	30 September 2019
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)	The Arab Republic of Egypt	Equity method	Medical devices and equipment	41.95 %	41.95 %	33.85 %
Name of associate				30 September 2020 KD	31 December 2019 (Audited) KD	30 September 2019 KD
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)				446,960	434,369	328,731

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9. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The Group's share in results of the associate is recorded based on the management accounts prepared by the management as at 30 September 2020 as the associate did not have available financial information as at 30 September 2020.

10. ACCOUNTS PAYABLE AND OTHER CREDIT BALANCES

	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Trade payables	8,724	8,293	17,251
Accrued expenses	123,465	145,524	183,203
Purchase of investment properties payable	44,500	45,000	3,340
Provision for employees leave	43,638	51,206	46,667
National Labour Support Tax	293,071	304,540	272,440
ZAKAT	118,821	124,683	108,976
Contribution to Kuwait Foundation for the Advancement of Sciences	-	13,456	-
Other payables	1,848,390	1,717,231	1,838,899
	<u>2,480,609</u>	<u>2,409,933</u>	<u>2,470,776</u>

11. TREASURY SHARES

	30 September 2020	31 December 2019 (Audited)	30 September 2019
Number of shares purchased (No's)	6,845,096	6,845,096	6,845,096
Ownership percentage (treasury shares percentage to total issued shares)	3.2%	3.2%	3.2%
Cost (KD)	<u>4,573,296</u>	<u>4,573,296</u>	<u>4,573,296</u>
Market value (KD)	<u>523,650</u>	<u>610,583</u>	<u>850,161</u>

The Parent Company is committed to keeping reserves and capital share premium equal to the purchased treasury shares cost which are non-distributable along acquisition period by the Parent Company in accordance with instructions of the concerned regulatory authorities.

12. BASIC AND DILUTED (LOSS) / PROFITS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (FILS)

Basic and diluted earnings / (loss) per share is computed by dividing net profit for the period attributable to the Parent Company shareholders by the weighted average number of ordinary shares outstanding during the period.

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12. BASIC AND DILUTED (LOSS) / EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY (FILS) (CONTINUED)

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
Loss for the period from the continued operations attributable to the shareholders of the Parent Company (KD)	<u>(4,886)</u>	<u>(329,176)</u>	<u>(215,385)</u>	<u>(418,576)</u>
Profit for the period from the discontinued operations attributable to the shareholders of the Parent Company (KD)	<u>-</u>	<u>379,249</u>	<u>-</u>	<u>592,359</u>
Weighted average number of shares outstanding:				
Number of issued shares (share)	213,868,650	213,868,650	213,868,650	213,868,650
Less: Weighted average number of treasury shares (shares)	<u>(6,845,096)</u>	<u>(6,845,096)</u>	<u>(6,845,096)</u>	<u>(6,845,096)</u>
Weighted average number of outstanding shares	<u>207,023,554</u>	<u>207,023,554</u>	<u>207,023,554</u>	<u>207,023,554</u>
Basic and diluted loss per share for the period from the continued operations attributable to the shareholders of the Parent Company (fils)	<u>(0.024)</u>	<u>(1.59)</u>	<u>(1.04)</u>	<u>(2.02)</u>
Basic and diluted profits per share for the period from the discontinued operations attributable to the shareholders of the Parent Company (fils)	<u>-</u>	<u>1.83</u>	<u>-</u>	<u>2.86</u>

13. FIDUCIARY ASSETS

Fiduciary assets comprise of investments and funds managed on behalf of clients. These assets are not owned by the Parent Company, and accordingly they are not included in the interim condensed consolidated financial information. As at the interim condensed consolidated statement of financial position date, total fiduciary assets managed on behalf of clients amounted to KD 3,837,000 (31 December 2019: KD 4,444,000, and 30 September 2019: KD 4,432,000) including a portfolio managed on behalf of a related party of KD 746,953 as at 30 September 2020 (31 December 2019: KD 1,254,324 and 30 September 2019: KD 973,774).

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14. SEGMENT INFORMATION

Operating segments are identified based on the internal reports of Group segments which are regularly reviewed by the Chairman and general manager as the principal decisions makers in the Group so as to allocate resources to and evaluate performance of these segments on an ongoing basis.

The operating segments that meet the conditions and criteria for reporting them in the interim condensed consolidated financial statements and are used in the internal reports regularly submitted to decision makers are as follows:

a) Real estate:

This sector represents investing in investment properties to generate rental income, for capital appreciation, or for trading purposes.

b) Financial assets:

This sector represents investment in short term money market instruments, investment in shares of listed and unlisted companies whose articles of association and activities are in compliance with rules of the noble Islamic Shari'a.

c) Corporate finance:

Activity of this segment is to provide finance to companies by using the different Islamic financing instruments, i.e. Murabaha, Wakala, future sales and other contracts that are in compliance with rules of the noble Islamic Shari'a.

d) Other:

This includes the revenues and expenses that are not included under the above sectors.

Summarized information in respect of the Group's segment information is given below:

	Segment revenues		Segments profit	
	Nine months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	KD	KD	KD	KD
Real estate	315,955	356,313	315,955	356,313
Financial assets	276,500	81,606	276,500	81,606
Corporate finance	-	-	-	(79,169)
Other	19,778	635,861	19,778	635,861
	<u>612,233</u>	<u>1,073,780</u>	<u>612,233</u>	<u>994,611</u>
General and administrative expenses			(731,839)	(1,196,284)
Provision for expected credit losses			(72,750)	(129,570)
Loss from continued operations			<u>(192,356)</u>	<u>(331,243)</u>

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14. SEGMENT INFORMATION (CONTINUED)

The assets and liabilities of the different operating segments are analysed as follows:

Segment assets	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Real estate	24,211,399	15,045,359	13,814,866
Financial assets	1,619,533	8,020,957	7,820,975
Corporate finance	192	316	316
Other	3,997,351	4,749,113	5,052,090
Total segment assets	29,828,475	27,815,745	26,688,247

Segment liabilities	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Corporate finance	3,591,776	341,776	343,510
Other	2,862,252	2,777,152	2,844,146
Total segment liabilities	6,454,028	3,118,928	3,187,656

15. SHAREHOLDERS GENERAL ASSEMBLY

The annual general assembly meeting of shareholders held on 5 April 2020 approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2019 and approved distribution of dividends to the shareholders of KD 1,035,118 for the year end 31 December 2019 and distribution of board of directors' remuneration of KD 25,000 for the financial year ended 31 December 2019.

16. FINANCIAL INSTRUMENTS

Categories of financial instruments

The financial assets and liabilities of the Group have been classified in the interim condensed consolidated statement of financial position as follows:

Financial assets	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Cash and bank balances	1,357,912	4,338,781	2,528,803
Financial assets at fair value through profit or loss	1,581,287	979,557	768,753
Account receivables and other debit balances (excluding prepaid expenses)	3,824,591	10,683,958	13,241,198
Due from related parties	192	316	316
Financial assets at fair value through other comprehensive income	38,246	41,400	52,222
	6,802,228	16,044,012	16,591,292

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16. FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial instruments (continued)

Financial liabilities	30 September 2020	31 December 2019 (Audited)	30 September 2019
	KD	KD	KD
Accounts payable and other credit balances	2,480,609	2,409,933	2,470,776
Due to related parties	3,591,776	341,776	343,510
	<u>6,072,385</u>	<u>2,751,709</u>	<u>2,814,286</u>

Fair value of financial instruments

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

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 within level 1 that are observable for the asset or liability, either directly or indirectly (inputs relating to prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

30 September 2020	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets:				
Financial assets at fair value through profit or loss	1,573,785	-	7,502	1,581,287
Financial assets at fair value through other comprehensive income	2,052	-	36,194	38,246
	<u>1,575,837</u>	<u>-</u>	<u>43,696</u>	<u>1,619,533</u>
31 December 2019 (audited)	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets:				
Financial assets at fair value through profit or loss	961,818	-	17,739	979,557
Financial assets at fair value through other comprehensive income	2,314	-	39,086	41,400
	<u>964,132</u>	<u>-</u>	<u>56,825</u>	<u>1,020,957</u>
30 September 2019	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets:				
Financial assets at fair value through profit or loss	679,879	27,175	61,699	768,753
Financial assets at fair value through other comprehensive income	2,350	8,677	41,195	52,222
	<u>682,229</u>	<u>35,852</u>	<u>102,894</u>	<u>820,975</u>

17. THE ECONOMIC SITUATION DUE TO CORONAVIRUS

Due to the current major events resulted in spread of Novel Coronavirus (COVID-19), which affected the global economic situation, local and international financial markets have been affected by decline in market prices. Consequently, the Group has been materially affected by these events, which resulted in realized material losses to the financial assets at fair value through profits or losses for the financial period ended 30 September 2020. Accordingly, it is difficult to compare the results of the Group's business for the financial period ended 30 September 2020 with the comparison period.

The Group considers that the time period for this event is not specified and it is difficult to anticipate any future results that might arise therefrom. Therefore, the financial impact cannot be reasonably determined on the Group's future results until the reporting date.