

KUWAIT FOUNDRY COMPANY K.S.C.P.

**INTERIM CONDENSED FINANCIAL
INFORMATION (UNAUDITED)**

30 JUNE 2021



Ernst & Young
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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT FOUNDRY COMPANY – K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Kuwait Foundry Company K.S.C.P. (the "Company") as at 30 June 2021, and the related interim condensed statement of profit or loss and the interim condensed statement of comprehensive income for the three-month and six-month periods then ended, and the interim condensed statement of changes in equity and the interim condensed statement of cash flows for the six-month period then ended.. The management of the Company is responsible for the preparation and presentation of the interim condensed financial information in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on the interim condensed financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed financial information is in agreement with the books of account of the Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2021 that might have had a material effect on the business of the Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2021 that might have had a material effect on the business of the Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

15 July 2021
Kuwait

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2021

	Notes	30 June 2021 KD	(Audited) 31 December 2020 KD	30 June 2020 KD
ASSETS				
Non-current assets				
Property, plant and equipment		305,308	309,409	314,603
Investment in an associate		-	-	1,327,002
Financial assets at fair value through other comprehensive income	3	11,778,475	10,835,996	14,579,936
		<u>12,083,783</u>	<u>11,145,405</u>	<u>16,221,541</u>
Current assets				
Inventories		2,303,392	2,358,436	2,371,806
Trade and other receivables		120,455	96,423	166,696
Loans and advances		-	-	612,502
Financial assets at fair value through profit or loss		-	-	1,215,778
Cash and cash equivalents	4	460,055	1,113,658	1,109,655
		<u>2,883,902</u>	<u>3,568,517</u>	<u>5,476,437</u>
TOTAL ASSETS		<u>14,967,685</u>	<u>14,713,922</u>	<u>21,697,978</u>
EQUITY AND LIABILITIES				
Equity				
Share capital		7,232,559	7,232,559	7,232,559
Share premium		8,026,028	8,026,028	8,026,028
Statutory reserve		3,616,280	3,616,280	3,616,280
Voluntary reserve		76,190	76,190	76,190
Fair value reserve		(4,039,300)	(4,981,779)	(1,290,341)
Foreign currency translation reserve		(1,418,868)	(1,418,868)	(1,490,141)
Retained earnings		717,119	1,059,998	3,821,085
		<u>14,210,008</u>	<u>13,610,408</u>	<u>19,991,660</u>
Liabilities				
Non-current liabilities				
Employees' end of service benefits		153,742	228,622	262,393
Current liabilities				
Trade and other payables	5	603,935	874,892	1,443,925
Total liabilities		<u>757,677</u>	<u>1,103,514</u>	<u>1,706,318</u>
TOTAL EQUITY AND LIABILITIES		<u>14,967,685</u>	<u>14,713,922</u>	<u>21,697,978</u>



Ahmad Jassem Al Gumar
Chairman



Al Muthana Mohammed Al Maktoum
Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed financial information.

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Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 June 2021

	Notes	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
		2021 <i>KD</i>	2020 <i>KD</i>	2021 <i>KD</i>	2020 <i>KD</i>
Revenue from contracts with customers	9	176,689	218,770	428,231	687,535
Cost of sales		(94,715)	(121,356)	(228,907)	(428,076)
GROSS PROFIT		81,974	97,414	199,324	259,459
Other operating income		182	11,828	48,276	12,022
Interest income		213	1,528	1,001	3,170
Reversal provision no longer required		-	-	26,237	-
Selling and marketing expenses		(2,913)	(7,173)	(7,148)	(16,113)
General and administrative expenses		(66,382)	(45,155)	(115,689)	(91,377)
OPERATING PROFIT		13,074	58,442	152,001	167,161
Impairment loss on investment in an associate		-	(53,415)	-	(53,415)
Net investment income	6	15,080	39,250	15,080	55,298
PROFIT BEFORE TAX		28,154	44,277	167,081	169,044
Reversal of (allowance for) contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		785	(398)	(604)	(1,521)
Reversal of (allowance for) National Labour Support Tax ("NLST")		789	(797)	(2,305)	(3,805)
Reversal of (allowance for) Zakat		467	(319)	(771)	(1,362)
PROFIT FOR THE PERIOD		30,195	42,763	163,401	162,356
BASIC AND DILUTED EARNINGS PER SHARE	7	0.42 Fils	0.59 Fils	2.26 Fils	2.24 Fils

The attached notes 1 to 13 form part of this interim condensed financial information.

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)

For the period ended 30 June 2021

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
PROFIT FOR THE PERIOD	30,195	42,763	163,401	162,356
Other comprehensive income (loss)				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	-	21,925	-	21,925
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>				
Net gain (loss) on equity instruments designated at fair value through other comprehensive income	413,501	(510,060)	942,479	(714,283)
Total other comprehensive income (loss) for the period	413,501	(488,135)	942,479	(692,358)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	443,696	(445,372)	1,105,880	(530,002)

The attached notes 1 to 13 form part of this interim condensed financial information.

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2021

	Share capital KD	Share premium KD	Statutory reserve KD	Voluntary reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Total KD
As at 1 January 2021 (Audited)	7,232,559	8,026,028	3,616,280	76,190	(4,981,779)	(1,418,868)	1,059,997	13,610,407
Profit for the period	-	-	-	-	-	-	163,401	163,401
Other comprehensive income	-	-	-	-	942,479	-	-	942,479
Total comprehensive income	-	-	-	-	942,479	-	163,401	1,105,880
Cash dividends (Note 12)	-	-	-	-	-	-	(506,279)	(506,279)
At 30 June 2021	7,232,559	8,026,028	3,616,280	76,190	(4,039,300)	(1,418,868)	717,119	14,210,008
As at 1 January 2020 (Audited)	7,232,559	8,026,028	3,616,280	76,190	(576,058)	(1,512,066)	4,743,612	21,606,545
Profit for the period	-	-	-	-	-	-	162,356	162,356
Other comprehensive loss (income)	-	-	-	-	(714,283)	21,925	-	(692,358)
Total comprehensive loss (income)	-	-	-	-	(714,283)	21,925	162,356	(530,002)
Cash dividends (Note 12)	-	-	-	-	-	-	(1,084,883)	(1,084,883)
At 30 June 2020	7,232,559	8,026,028	3,616,280	76,190	(1,290,341)	(1,490,141)	3,821,085	19,991,660

The attached notes 1 to 13 form part of this interim condensed financial information.

Kuwait Foundry Company K.S.C.P.

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2021

	Notes	Six months ended	
		30 June	
		2021	2020
		KD	KD
OPERATING ACTIVITIES			
Profit before tax		167,081	169,044
<i>Non-cash adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property, plant and equipment		5,358	14,755
Net investment income		(15,080)	(55,298)
Impairment loss on investment in an associate		-	53,415
Reversal of provision no longer required		(26,237)	-
Provision for employees' end of service benefits		5,382	7,920
Gain on sale of property, plant and equipment		(777)	-
Interest income		(1,001)	(3,170)
Operating profit before changes in working capital		134,726	186,666
<i>Working capital changes:</i>			
Inventories		55,044	5,283
Trade and other receivables		(24,032)	(245,721)
Trade and other payables		(96,281)	(793,304)
Cash flows from (used in) operations		69,457	(847,076)
Employees' end of service benefits paid		(80,262)	(24,747)
Net cash flows used in operating activities		(10,805)	(871,823)
INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		(1,257)	(8,338)
Proceeds from sale property, plant and equipment		777	-
Dividend income received	6	15,080	16,048
Interest income received		1,001	3,170
Net cash flows from investing activities		15,601	10,880
FINANCING ACTIVITIES			
Cash dividends paid		(658,399)	(329,393)
Net cash flows used in financing activities		(658,399)	(329,393)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(653,603)	(1,190,336)
Cash and cash equivalents as at the 1 January		1,113,658	2,299,991
CASH AND CASH EQUIVALENTS AT 30 JUNE	4	460,055	1,109,655

The attached notes 1 to 13 form part of this interim condensed financial information.

1 CORPORATE INFORMATION

The interim condensed financial information of Kuwait Foundry Company K.S.C.P. (the "Company") for the six months ended 30 June 2021 was authorised for issue in accordance with a resolution of the Company's Board of Directors on 15 July 2021.

The financial statements of the Company for the year ended 31 December 2020 were approved in the annual general assembly meeting (AGM) of the shareholders held on 7 March 2021. Dividends declared and paid by the Company for the year then ended are provided in Note 12.

The Company is a public shareholding company, incorporated and domiciled in Kuwait and whose shares are publicly traded in Boursa Kuwait. The Company's registered office is located at Al Rai Industrial Area, Street (10). The Company operates in the iron industry and is principally engaged in the casting of iron and other metals and the manufacturing of industrial supplies and related products. The Company also invests surplus funds through investment portfolios.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial information of the Company, for the six months ended 30 June 2021 has been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34").

The Company has prepared the interim condensed financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial information does not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2020.

2.2 New and amended standards and interpretations

The accounting policies adopted and methods of computation followed in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed financial statements of the Company.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- ▶ A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest,
- ▶ Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued,
- ▶ Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed financial information of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
As at and for the period ended 30 June 2021

3 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2021 KD	<i>(Audited)</i> 31 December 2020 KD	30 June 2020 KD
Unquoted equity securities	11,778,475	10,835,996	14,579,936

The hierarchy for determining the fair values of the financial assets at fair value through other comprehensive income by valuation techniques is presented in Note 11.

4 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents are comprised of the following:

	30 June 2021 KD	<i>(Audited)</i> 31 December 2020 KD	30 June 2020 KD
Cash in hand	3,008	=	2,588
Cash at banks	457,047	1,113,658	1,107,067
Total cash and cash equivalents	460,055	1,113,658	1,109,655

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

At 30 June 2021, the Company had available KD Nil (31 December 2020: KD 750,000 and 30 June 2020: KD 750,000) of undrawn committed overdraft facilities.

5 TRADE AND OTHER PAYABLES

	30 June 2021 KD	<i>(Audited)</i> 31 December 2020 KD	30 June 2020 KD
Trade payables	16,561	21,016	27,810
Advances from customers	58,875	96,388	98,005
Accrued expenses	5,771	25,760	83,769
KFAS payable	73,489	72,886	74,407
Zakat payable	771	1,019	66,518
NLST payable	2,305	25,218	205,677
Dividends and distributions payable	418,238	570,357	872,880
Other payables	27,925	62,248	14,859
	603,935	874,892	1,443,925

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

6 NET INVESTMENT INCOME

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	15,080	-	15,080	16,048
Changes in fair value of financial assets at fair value through profit or loss	-	39,250	-	39,250
	<u>15,080</u>	<u>39,250</u>	<u>15,080</u>	<u>55,298</u>

7 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period (excluding treasury shares). Diluted EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Net profit for the period (KD)	30,195	42,763	163,401	162,356
Weighted average number of ordinary shares	72,325,590	72,325,590	72,325,590	72,325,590
Basic and diluted EPS (Fils)	<u>0.42</u>	<u>0.59</u>	<u>2.26</u>	<u>2.24</u>

8 RELATED PARTY DISCLOSURES

These represent transactions with certain parties (major shareholders, associates, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties) entered by the Company in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Company's management.

The following table provides the total amount of transactions that have been entered with related parties during the three months 30 June 2021 and 2020, as well as, balances with related parties as at 30 June 2021, 31 December 2020 and 30 June 2020:

	<i>Major shareholder</i>	<i>Six months ended 30 June</i>		<i>Three months ended 30 June</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Statement of profit or loss:					
Revenue from contracts with customers	2,341	2,341	7,273	1,589	5,130
				(Audited)	
	<i>Associates</i>	<i>Other related parties</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>KD</i>	<i>KD</i>	<i>2021</i>	<i>2020</i>	<i>2020</i>
			<i>KD</i>	<i>KD</i>	<i>KD</i>
Statement of financial position:					
Loans and advances	-	-	-	-	612,502

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

9 SEGMENT INFORMATION (continued)

The following tables present revenue and profit information for the Company's operating segments for the six months ended 30 June 2021 and 2020, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>Period ended 30 June 2021</i>				
Revenue	428,231	16,081	74,513	518,825
Segment profit	188,114	16,081	(40,794)	163,401
Depreciation of property and equipment	(4,062)	-	(1,296)	(5,358)
<i>Period ended 30 June 2020</i>				
Revenue	687,535	58,468	12,022	758,025
Segment profit (loss)	243,346	5,053	(86,043)	162,356
Depreciation of property and equipment	(13,057)	-	(1,698)	(14,755)
Impairment loss on investment in an associate	-	(53,415)	-	(53,415)

The following table presents assets and liabilities information for the Company's operating segments as at 30 June 2021, 31 December 2020 and 30 June 2020, respectively:

	<i>Manufacturing KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
<i>As at 30 June 2021</i>				
Total assets	2,729,152	11,778,475	460,058	14,967,685
Total liabilities	103,361	-	654,316	757,677
<i>As at 31 December 2020</i>				
Total assets	2,718,546	10,835,996	1,159,380	14,713,922
Total liabilities	179,653	-	923,861	1,103,514
<i>As at 30 June 2020</i>				
Total assets	2,789,565	17,735,217	1,173,196	21,697,978
Total liabilities	140,674	-	1,565,644	1,706,318
<i>Other disclosures:</i>				
Investment in an associate	-	1,327,002	-	1,327,002

Geographical information

The Company derives revenue from the transfer of goods at a point in time and predominantly in Kuwait.

The majority of the Company's non-current assets are located in Kuwait, except for unquoted equity securities of KD 11,688,675 which are domiciled in the Kingdom of Bahrain.

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

10 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 June</i> <i>2021</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2020</i> <i>KD</i>	<i>30 June</i> <i>2020</i> <i>KD</i>
Contingent liabilities			
Guarantees to an unrelated party	<u>22,150</u>	<u>22,150</u>	<u>22,150</u>

The Company had no capital commitments as at the reporting date.

11 FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management assessed that cash and short-term deposits, trade and other receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value measurements for the unquoted securities have been categorised as Level 3 fair values based on the inputs to the valuation techniques used.

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months ended 30 June 2021.

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:

	<i>Non-listed equity investments</i>		
	<i>Financial</i> <i>assets at</i> <i>FVOCI</i> <i>KD</i>	<i>Financial</i> <i>assets at</i> <i>FVTPL</i> <i>KD</i>	<i>Total</i> <i>KD</i>
30 June 2021			
As at 1 January 2021	10,835,996	-	10,835,996
Remeasurement recognised in OCI	942,479	-	942,479
As at 30 June 2021	<u>11,778,475</u>	<u>-</u>	<u>11,778,475</u>

Kuwait Foundry Company K.S.C.P.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

11 FAIR VALUE MEASUREMENT (continued)

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVTPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2020</i>			
As at 1 January 2020	15,294,219	1,176,528	16,470,747
Remeasurement recognised in OCI	(4,332,239)	-	(4,332,239)
Capital redemption	(122,468)	-	(122,468)
Purchases / sales (net)	(3,516)	(215,778)	(219,294)
Distribution in-kind	-	(2,000,000)	(2,000,000)
Remeasurement recognised in profit or loss	-	1,039,250	1,039,250
As at 31 December 2020	<u>10,835,996</u>	<u>-</u>	<u>10,835,996</u>
	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI</i>	<i>Financial assets at FVTPL</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>30 June 2020</i>			
As at 1 January 2020	15,294,219	1,176,528	16,470,747
Remeasurement recognised in OCI	(714,283)	-	(714,283)
Remeasurement recognised in profit or loss	-	39,250	39,250
As at 30 June 2020	<u>14,579,936</u>	<u>1,215,778</u>	<u>15,795,714</u>

The valuation techniques and inputs used in this interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Company employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on the financial statements would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 10 percent.

12 DISTRIBUTIONS MADE AND PROPOSED

The Board of Directors in their meeting held on 1 February 2021, proposed a cash dividend of 7 fils per share aggregating to KD 506,279 for the year ended 31 December 2020 (2019: 15 fils per share aggregating to KD 1,084,883). The proposed dividend for the year ended 31 December 2020 has been approved by the shareholders at the AGM held on 7 March 2021.

13 IMPACT OF COVID-19

During March 2020, the World Health Organisation (“WHO”) declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the State of Kuwait. Governments across the globe have taken steps to contain the spread of the virus, which included closure of borders, released social distancing guidelines and enforced country-wide lockdowns and curfews.

The Company has considered potential impacts of the current market volatility in determination of the reported amounts of the Company’s unquoted financial assets, and this represents management's best assessment based on observable available information as at the reporting date. Given the impact of COVID 19, the Company is closely monitoring whether the fair values of its investment securities represent the price that would be achieved for transactions between market participants in the current scenario.

The implications of COVID-19 are ongoing, and the ultimate outcome of this event is unknown and therefore the full impact on the Company for events and circumstances that arose after the reporting date cannot be reasonably quantified at the of authorisation of these financial statements. The effect of COVID-19 on the company as and when known will be incorporated into the determination of the Company’s estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities.

The Company has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Company’s future performance, capital, and liquidity. The impact of COVID-19 may continue to evolve, but at the present time, the projections show that the Company has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2020. As a result, the interim condensed financial information has been appropriately prepared on a going concern basis.