

**AL SAFAT INVESTMENT COMPANY K.S.C.P.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)**

30 September 2022



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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL SAFAT INVESTMENT COMPANY K.S.C.P

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Safat Investment Company K.S.C.P (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2022, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the nine-months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with basis of presentation as set out in Note 2.

Emphasis of Matter

We draw attention to Note 12 to the interim condensed consolidated financial information which states that during 2021, Evolvance Capital Ltd (the ‘custodian’), filed a lawsuit against the Parent Company in response to the legal formalities initiated by the Parent Company. Further, the Parent Company filed a counter claim against the custodian. On 27 October 2021, the Court ruled to assign an expert committee to verify the elements of the lawsuit and submit their findings and the expert report was issued in favour of the Parent Company, and consequently a favourable judgement was handed down by the Court on 28 September 2022. The custodian filed an appeal against this ruling and the court hearing scheduled on 7 November 2022 was adjourned to 21 November 2022. Accordingly, the ultimate outcome of this matter cannot presently be determined.

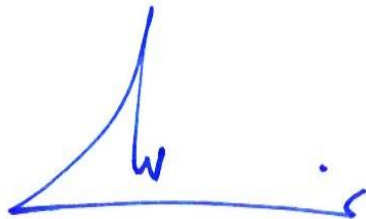
Our conclusion is not modified in respect to this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO
THE BOARD OF DIRECTORS OF AL SAFAT INVESTMENT COMPANY K.S.C.P
(continued)**

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the nine-months period ended 30 September 2022 that might have had a material effect on the business of the Parent 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. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the nine-months period ended 30 September 2022 that might have had material effect on the business of the Parent Company or on its financial position.



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

9 November 2022
Kuwait

Al Safat Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2022

	Notes	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
ASSETS				
Cash and bank balances	4	1,141,781	1,487,464	1,745,012
Term deposits		1,127,262	1,358,871	1,355,077
Murabaha receivables		-	30,974	30,885
Investment securities	5	1,430,747	1,953,121	3,187,027
Account receivables and other assets		2,152,419	2,304,689	2,412,448
Inventories		636,657	462,912	324,288
Investment in associates and joint venture		4,222,844	4,326,597	4,552,905
Intangible assets		1,161	2,593	3,102
Investment properties	6	18,859,661	19,566,551	18,675,337
Property, plant and equipment		2,907,660	8,561,653	8,810,922
		<u>32,480,192</u>	<u>40,055,425</u>	<u>41,097,003</u>
Assets held for sale	11	5,704,883	-	-
TOTAL ASSETS		<u>38,185,075</u>	<u>40,055,425</u>	<u>41,097,003</u>
LIABILITIES AND EQUITY				
Liabilities				
Bank overdrafts	4	23,480	267,083	236,949
Notes payable		63,226	123,583	1,004
Other liabilities		7,313,556	7,471,539	7,557,852
Lease liabilities		2,992,146	3,365,650	3,425,259
		<u>10,392,408</u>	<u>11,227,855</u>	<u>11,221,064</u>
Liabilities directly associated with the assets held for sale	11	786,411	-	-
Total liabilities		<u>11,178,819</u>	<u>11,227,855</u>	<u>11,221,064</u>
Equity				
Share capital		28,327,569	26,978,637	26,978,637
Share premium		259,677	259,677	259,677
Statutory reserve		1,492,077	1,492,077	1,334,805
Voluntary reserve		1,492,077	1,492,077	1,334,805
Treasury shares	7	(307,393)	(307,393)	(307,393)
Treasury shares reserve		615,002	615,002	615,002
Asset revaluation surplus		231,655	231,655	231,655
Fair value reserve		(11,306,150)	(10,796,434)	(10,001,743)
Foreign currency translation reserve		(605,736)	(474,830)	(449,897)
Other reserves		376,538	376,538	376,538
Retained earnings		1,080,008	3,366,928	3,405,871
		<u>21,655,324</u>	<u>23,233,934</u>	<u>23,777,957</u>
Equity attributable to equity holders of the Parent Company		21,655,324	23,233,934	23,777,957
Non-controlling interests		5,350,932	5,593,636	6,097,982
Total equity		<u>27,006,256</u>	<u>28,827,570</u>	<u>29,875,939</u>
TOTAL LIABILITIES AND EQUITY		<u>38,185,075</u>	<u>40,055,425</u>	<u>41,097,003</u>

Abdullah Hamad Al-Terkait
Chairman

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

Al Safat Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS (UNAUDITED)

For the period ended 30 September 2022

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2022	2021	2022	2021
		KD	KD	KD	KD
CONTINUING OPERATIONS					
Revenue					
Revenue from contracts with customers		813,036	729,708	2,373,187	2,282,303
Cost of sales		(687,541)	(631,682)	(1,956,167)	(1,727,843)
Gross profit		125,495	98,026	417,020	554,460
Fee and commission income		64,039	46,828	157,215	159,731
Net investment income on financial assets	9	26,589	27,838	176,618	294,164
Share of results of associates and joint Venture		(143,164)	41,460	(158,246)	860,836
Valuation losses from investment properties		-	-	(790,141)	(256,367)
Net rental income		400,101	385,343	1,126,175	1,170,659
Net (charge) reversal of allowance for expected credit losses		(79,541)	(148,430)	(115,725)	125,144
Net (charge) reversal of provision on inventories		-	(122,500)	30,000	(122,500)
Net foreign exchange differences		45,643	(11,277)	(88,796)	(35,717)
General and administrative expenses		(546,156)	(579,211)	(1,712,267)	(1,864,579)
Operating (loss) profit		(106,994)	(261,923)	(958,147)	885,831
Other income		85,415	516,079	141,785	457,853
Finance costs		(51,552)	(59,836)	(148,222)	(183,899)
(Loss) profit before tax from continued operations		(73,131)	194,320	(964,584)	1,159,785
Contribution to Kuwait Foundation for Advancement of Sciences (KFAS)		-	(2,624)	-	(11,105)
Zakat		-	(1,987)	-	(6,526)
National Labour Support Tax		-	(25,964)	-	(25,964)
(Loss) profit for the period from continued operations		(73,131)	163,745	(964,584)	1,116,190
DISCONTINUED OPERATIONS					
Loss for the period from discontinued operations	11	(140,322)	(34,643)	(234,305)	(30,950)
(LOSS) PROFIT FOR THE PERIOD		(213,453)	129,102	(1,198,889)	1,085,240
Attributable to:					
Equity holders of the Parent Company		(110,995)	260,944	(1,019,232)	1,190,240
Non-controlling interests		(102,458)	(131,842)	(179,657)	(105,000)
		(213,453)	129,102	(1,198,889)	1,085,240
BASIC AND DILUTED (LOSS) PROFIT PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
	8	(0.39)	0.92	(3.61)	4.21

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

Al Safat Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 September 2022

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
(Loss) profit for the period	(213,453)	129,102	(1,198,889)	1,085,240
Other comprehensive (loss) income				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(44,176)	8,914	(163,286)	25,289
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	(44,176)	8,914	(163,286)	25,289
<i>Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:</i>				
Share of associates other comprehensive (loss) income	(17,582)	(19,129)	(26,752)	11,089
Net changes in fair value of equity instruments designated at fair value through other comprehensive (loss) income	(350,574)	472,866	(432,387)	163,637
Net other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods	(368,156)	453,737	(459,139)	174,726
Other comprehensive (loss) income	(412,332)	462,651	(622,425)	200,015
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(625,785)	591,753	(1,821,314)	1,285,255
Attributable to:				
Equity holders of the Parent Company	(506,627)	723,110	(1,578,610)	1,378,855
Non-controlling interests	(119,158)	(131,357)	(242,704)	(93,600)
	(625,785)	591,753	(1,821,314)	1,285,255

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

Al Safat Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 September 2022

	<i>Equity attributable to equity holders of the Parent Company</i>													<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
	<i>Share capital</i> KD	<i>Share premium</i> KD	<i>Statutory reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Fair value Reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Other reserves</i> KD	<i>Retained earnings</i> KD	<i>Sub-total</i> KD			
As at 1 January 2022	26,978,637	259,677	1,492,077	1,492,077	(307,393)	615,002	231,655	(10,796,434)	(474,830)	376,538	3,366,928	23,233,934	5,593,636	28,827,570	
Loss for the period	-	-	-	-	-	-	-	-	-	-	(1,019,232)	(1,019,232)	(179,657)	(1,198,889)	
Other comprehensive loss for the period	-	-	-	-	-	-	-	(428,472)	(130,906)	-	-	(559,378)	(63,047)	(622,425)	
Total comprehensive loss for the period	-	-	-	-	-	-	-	(428,472)	(130,906)	-	(1,019,232)	(1,578,610)	(242,704)	(1,821,314)	
Share of associate's income from realized gain on disposal of equity securities at FVOCI	-	-	-	-	-	-	-	(81,244)	-	-	81,244	-	-	-	
Issue of bonus shares	1,348,932	-	-	-	-	-	-	-	-	-	(1,348,932)	-	-	-	
At 30 September 2022	28,327,569	259,677	1,492,077	1,492,077	(307,393)	615,002	231,655	(11,306,150)	(605,736)	376,538	1,080,008	21,655,324	5,350,932	27,006,256	

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

Al Safat Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 September 2022

	<i>Equity attributable to equity holders of the Parent Company</i>												<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
	<i>Share capital</i> KD	<i>Share premium</i> KD	<i>Statutory reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Fair value reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Other reserves</i> KD	<i>Retained earnings</i> KD	<i>Sub-total</i> KD		
As at 1 January 2021	25,693,940	259,677	1,334,805	1,334,805	(307,393)	615,002	231,655	(10,517,317)	(472,938)	376,538	3,840,460	22,389,234	6,187,357	28,576,591
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	-	1,190,240	1,190,240	(105,000)	1,085,240
Other comprehensive income for the period	-	-	-	-	-	-	-	165,574	23,041	-	-	188,615	11,400	200,015
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	165,574	23,041	-	1,190,240	1,378,855	(93,600)	1,285,255
Transfer on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	350,000	-	-	(350,000)	-	-	-
Share of associate's income from realized gain on disposal of equity securities at FVOCI	-	-	-	-	-	-	-	-	-	-	9,868	9,868	4,225	14,093
Issue of bonus shares	1,284,697	-	-	-	-	-	-	-	-	-	(1,284,697)	-	-	-
At 30 September 2021	26,978,637	259,677	1,334,805	1,334,805	(307,393)	615,002	231,655	(10,001,743)	(449,897)	376,538	3,405,871	23,777,957	6,097,982	29,875,939

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

Al Safat Investment Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 September 2022

	Notes	30 September 2022 KD	30 September 2021 KD
OPERATING ACTIVITIES			
(Loss) profit before tax from continued operations		(964,584)	1,159,785
Loss for the year before tax from discontinued operations		(234,305)	(30,950)
		<u>(1,198,889)</u>	<u>1,128,835</u>
<i>Adjustments to reconcile profit (loss) before tax to net cash flows:</i>			
Depreciation of property, plant and equipment		304,970	349,324
Amortisation of intangible assets		1,432	1,520
Impairment of property, plant and equipment	11	120,346	-
Income from term deposits	9	(77,038)	(68,531)
Dividend income	9	(102,403)	(195,264)
Realised gain on financial assets at fair value through profit or loss	9	-	(24,417)
Unrealised loss (gain) on financial assets at fair value through profit or loss	9	2,823	(5,952)
Change in fair value of investment properties	6	790,141	256,367
Share of results of associates and joint venture		158,246	(860,836)
Net (reversal) charge of provision on inventories		(30,000)	122,500
Net charge of allowance for expected credit losses		85,725	125,144
Reversal of provision no longer payable		(90,615)	-
Provision for employees' end of service benefits		90,440	113,061
Finance costs		143,839	242,577
(Loss) gain on sale property, plant and equipment		(12,999)	3,702
		<u>186,018</u>	<u>1,188,030</u>
<i>Changes in operating assets and liabilities</i>			
Financial assets at fair value through profit or loss		-	270,979
Accounts receivables and other assets		66,545	(386,636)
Inventories		(143,745)	87,541
Other liabilities		605,529	(509,797)
		<u>714,347</u>	<u>650,117</u>
<i>Cashflows used in operations</i>		(171,945)	(121,186)
		<u>542,402</u>	<u>528,931</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(403,846)	(130,601)
Proceeds from sale of property, plant and equipment		12,999	8,015
Net sale of financial assets at fair value through other comprehensive income		5,918	-
Capital expenditure incurred on investment properties	6	-	(994,226)
Income received from term deposits	9	77,038	68,531
Dividend income received	9	102,403	195,264
		<u>(205,488)</u>	<u>(853,017)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Payment of lease liabilities		(396,070)	(393,010)
Net wakala receivables		30,974	(30,885)
Net movement in notes payable		(60,357)	(54,083)
		<u>(425,453)</u>	<u>(477,978)</u>
Net cash flows used in financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		1,220,381	2,319,477
Net foreign exchange differences		(13,541)	(9,350)
		<u>1,118,301</u>	<u>1,508,063</u>
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	4	<u>1,118,301</u>	<u>1,508,063</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

1. CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Safat Investment Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2022 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 9 November 2022.

The Parent Company is a Kuwaiti shareholding company incorporated and domiciled in Kuwait and whose shares were publicly traded in Kuwait Stock Exchange (“KSE”). On 11 October 2021, the Parent Company’s shares were relisted on KSE. The Parent Company is regulated by the Central Bank of Kuwait (“CBK”) as an investment and finance company and is subject to the supervision of Capital Markets Authority (“CMA”).

The Parent Company is principally engaged in the provision of investment and financial services in accordance with Islamic Shari‘a principles as approved by the Group’s Shari‘a Committee. The Parent Company’s head office is located at Al-Safat Tower, 14th floor, Hawalli, Beirut Street, State of Kuwait and its registered postal address is P.O. Box 20133, Safat 13062, Kuwait.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 07 April 2022 approved the consolidated financial statements for the year ended 31 December 2021 and approved no cash dividend for the year ended 31 December 2021 (31 December 2020: Nil). Further at the extraordinary general meeting (“EGM”) held on 07 April 2022, the shareholders of the Parent Company approved distribution of 5% bonus shares (31 December 2020: 5%). The bonus shares were approved on 11 May 2022 by the Ministry of Commerce and the article of association was amended to increase the number of issued and fully paid-up shares by 13,489,318 shares and increase the share capital by KD 1,348,932.

Information on other related party relationships of the Group is provided in Note 3.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the nine months ended 30 September 2022 have been prepared in accordance with IAS 34 “*Interim Financial Reporting*” except as noted below.

The interim condensed consolidated financial information for the nine months ended 30 September 2022 were prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait (“CBK”) in the State of Kuwait. These regulations require expected credit loss (“ECL”) to be measured at the higher of the ECL on financing facilities computed under IFRS 9: Financial Instruments (“IFRS 9”) in accordance to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) (collectively referred to as IFRS, as adopted for use by the State of Kuwait).

The Group has prepared the interim condensed consolidated 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 Group 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 consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2021.

2.2 New standards and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Group 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 2022, but do not have a material impact on the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

**2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
(continued)**

2.2 New standards and amendments adopted by the Group (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities, and contingent liabilities within the scope of these amendments arisen during the period.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labor and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, the Group did not identify and therefore did not recognise an onerous contract provision.

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

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

3. RELATED PARTIES DISCLOSURES

Related parties represent the major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Parent Company's management

The following table provides the total amount of transactions that have been entered into with related parties during the nine months 30 September 2022 and 30 September 2021, as well as balances with related parties as at 30 September 2022, 31 December 2021, and 30 September 2021.

	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD	30 September 2021 KD
Statement of financial position:			
Other assets - <i>Other related parties</i>	314,484	379,160	318,102
Financial assets at FVTPL - <i>Other related parties</i>	44,306	47,048	45,427
Financial assets at FVOCI - <i>Other related parties</i>	32,285	32,285	1,325,470
Other liabilities - <i>Associate companies</i>	538,000	345,000	350,000
Other liabilities – <i>Other related parties</i>	85,685	-	-
		<i>Nine months ended 30 September</i>	
		2022	2021
		KD	KD
Statement of profit or loss:			
Management fees - <i>Associate companies</i>		1,917	2,884
Management fees - <i>Other related parties</i>		433	457

Other transactions

The Group also manages investment portfolios on behalf of related parties amounting to KD 8,419,116 (31 December 2021: KD 8,318,545 and 30 September 2021: KD 8,490,792).

Key management personnel

Key management personnel comprise the Board of Directors, Executive Committees and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
Salaries and short-term benefits	38,755	25,024	107,267	78,072
Employees' end of service benefits	3,822	3,246	10,889	9,736
	42,577	28,270	118,156	87,808

4. CASH AND CASH EQUIVALENTS

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

	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD	30 September 2021 KD
Cash on hand	34,075	27,328	52,911
Cash at banks and financial institutions	1,107,706	1,460,136	1,692,101
Total cash and bank balances	1,141,781	1,487,464	1,745,012
Less: bank overdrafts	(23,480)	(267,083)	(236,949)
Total cash and cash equivalents	1,118,301	1,220,381	1,508,063

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

5. INVESTMENT SECURITIES

	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD	30 September 2021 KD
<i>Financial assets at FVTPL</i>			
Quoted equity securities	45,316	48,139	45,947
Unquoted equity securities	14,762	14,762	11,512
	60,078	62,901	57,459
<i>Financial assets at FVOCI</i>			
Quoted equity securities	1,320,776	1,834,409	1,777,334
Unquoted equity securities	49,893	55,811	1,352,234
	1,370,669	1,890,220	3,129,568
Investment securities (at fair value)	1,430,747	1,953,121	3,187,027

Financial assets at FVTPL include investments in related parties of KD 44,306 (31 December 2021: KD 47,048 and 30 September 2021: KD 45,427). Financial assets at FVOCI include investments in related parties of KD 32,285 (31 December 2021: KD 32,285 and 30 September 2021: KD 1,325,470) (Note 3).

The hierarchy for determining and disclosing the fair value of investment securities by valuation techniques are presented in Note 13.

6. INVESTMENT PROPERTIES

	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD	30 September 2021 KD
At the beginning of the period / year	19,566,551	17,937,478	17,937,478
Capital expenditure	-	1,565,771	994,226
Change in fair value	(790,141)	70,825	(256,367)
Exchange differences	83,251	(7,523)	-
	18,859,661	19,566,551	18,675,337

The fair value of investment properties was independently determined at 31 December 2021 by accredited independent valuers who are specialised in valuing such type of properties using a mix of income capitalisation method and the market comparison approach considering the nature usage of each property.

Management believes that in the current period, there is an impact on rent collections and subsequent months are tracking below-normal, the deterioration of credit quality of tenants along with increase in interest rates and the current economic situation has led to a revision in assumptions relating to the Group's cash flows based on best available information. Based on these valuations, the fair value of investment properties witnessed a decrease of KD 790,141 (31 December 2021: increase of KD 70,825 and 30 September 2021: decrease of KD 256,367). The Group will continue to assess further the impact on cash flows as well as valuation inputs in the upcoming quarters as and when there is new information to consider.

There has been no change in the valuation methodology used for investment properties. Investment properties are classified in Level 2 and Level 3 of the fair value hierarchy.

Fair value sensitivity

As at the reporting date, management considered 25 basis point movement in discount rates to capture the increased uncertainty in this key valuation assumptions. An equal change in the opposite direction would lead to a decrease in the valuation by KD 220,000. This analysis assumes that all other variables, remain constant.

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

7. TREASURY SHARES

	30 September 2022	<i>(Audited)</i> 31 December 2021	30 September 2021
Number of treasury shares	886,940	844,705	844,705
Percentage of share capital	0.31%	0.31%	0.31%
Cost of treasury shares (KD)	307,393	307,393	307,393

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

8. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE (EPS)

Basic (loss) earnings per share amounts are calculated by dividing the (loss) profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted (loss) earnings per share is calculated by dividing the (loss) profit attributable to ordinary equity holders of the Parent Company 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.

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
(Loss) profit attributable to ordinary equity holders of the parent:				
Continuing operations	(65,095)	272,276	(942,590)	1,200,364
Discontinued operations	(45,900)	(11,332)	(76,642)	(10,124)
(Loss) profit for the period attributable to equity holders of the Parent Company (KD)	<u>(110,995)</u>	<u>260,944</u>	<u>(1,019,232)</u>	<u>1,190,240</u>
Weighted average number of outstanding shares*	<u>282,388,748</u>	<u>282,388,748</u>	<u>282,388,748</u>	<u>282,388,748</u>
Basic and diluted (loss) earnings per share (fils) from continued operation	<u>(0.23)</u>	<u>0.96</u>	<u>(3.34)</u>	<u>4.25</u>
Basic and diluted (loss) earnings per share (fils) from discontinued operation	<u>(0.16)</u>	<u>(0.04)</u>	<u>(0.27)</u>	<u>(0.04)</u>
Basic and diluted (loss) earnings per share (fils)	<u>(0.39)</u>	<u>0.92</u>	<u>(3.61)</u>	<u>4.21</u>

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period, if any.

Earnings per share for the three months ended 30 September 2021 was 0.97 fils and nine months ended 30 September 2021 was 4.426 fils before retroactive adjustment to the number of shares following the bonus issue for the year ended 31 December 2021 as approved by the shareholders' extraordinary general assembly meeting (EGM) held on 07 April 2022.

As there are no dilutive instruments outstanding, basic and diluted (loss) earnings per share are identical.

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

9. NET INVESTMENT INCOME ON FINANCIAL ASSETS

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>
	<i>September</i>	<i>September</i>	<i>September</i>	<i>September</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Income from term deposits	34,990	23,207	77,038	68,531
Dividend income	-	-	102,403	195,264
Realised gain on sale of financial assets at FVTPL	-	-	-	24,417
Unrealised (loss) gain on financial assets at FVTPL	(8,401)	4,631	(2,823)	5,952
	26,589	27,838	176,618	294,164

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

10. SEGMENT INFORMATION

The Group considers that the operating units which offer products and special services constitute segments that are disclosed and reported as follows:

- ▶ Financial
- ▶ Real estate
- ▶ Industries
- ▶ Others

The Group's segmental information is as follows:

	<i>Nine months ended</i> <i>30 September 2022 (Unaudited)</i>				
	<i>Financial</i> <i>KD</i>	<i>Real estate</i> <i>KD</i>	<i>Industries</i> <i>KD</i>	<i>Others</i> <i>KD</i>	<i>Total</i> <i>KD</i>
Revenue from contracts with customers	-	-	2,369,047	4,140	2,373,187
Fee and commission income	66,944	-	-	90,271	157,215
Net investment income on financial assets	172,023	-	2,298	2,297	176,618
Share of results of associates and joint venture	(158,246)	-	-	-	(158,246)
Valuation losses from investment properties	-	(790,141)	-	-	(790,141)
Net rental income	-	1,126,175	-	-	1,126,175
Net (charge) reversal of allowance for expected credit losses	-	(145,864)	33,889	(3,750)	(115,725)
Net (charge) reversal of provision on inventories	-	-	30,000	-	30,000
Net foreign exchange differences	(178,986)	83,251	-	6,939	(88,796)
Other income	1,916	3,072	97,479	39,318	141,785
Total (loss) income	(96,349)	276,493	2,532,713	139,215	2,852,072
Cost of sales	-	-	(1,914,667)	(41,500)	(1,956,167)
Finance cost	-	(123,523)	(16,905)	(7,794)	(148,222)
General and administrative expenses	(802,654)	(70,067)	(556,013)	(283,533)	(1,712,267)
Loss for the period from discontinued operations	-	-	(234,305)	-	(234,305)
Total expenses and other charges	(802,654)	(193,590)	(2,721,890)	(332,827)	(4,050,961)
Segment (loss) profit	(899,003)	82,903	(189,177)	(193,612)	(1,198,889)

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

10. SEGMENT INFORMATION (continued)

	<i>Nine months ended</i>				
	<i>30 September 2021 (Unaudited)</i>				
	<i>Financial</i>	<i>Real estate</i>	<i>Industries</i>	<i>Others</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Revenue from contracts with customers	-	-	2,271,551	10,752	2,282,303
Fee and commission income	22,102	-	-	137,629	159,731
Net investment income on financial assets	294,164	-	-	-	294,164
Share of results of associates and joint venture	923,070	-	(62,234)	-	860,836
Change in fair value of investment properties	-	(256,367)	-	-	(256,367)
Net rental income	-	1,170,659	-	-	1,170,659
Net (charge) reversal of allowance for expected credit losses	125,144	-	-	-	125,144
Net (charge) reversal of provision on inventories	-	-	(122,500)	-	(122,500)
Net foreign exchange differences	(6,723)	(28,794)	-	(200)	(35,717)
Other income	350,001	-	24,450	83,402	457,853
	<u>1,707,758</u>	<u>885,498</u>	<u>2,111,267</u>	<u>231,583</u>	<u>4,936,106</u>
Cost of sales	-	-	(1,657,346)	(70,497)	(1,727,843)
Finance cost	-	(158,308)	(25,591)	-	(183,899)
General and administrative expenses	(865,876)	(72,424)	(605,740)	(320,539)	(1,864,579)
KFAS	(11,105)	-	-	-	(11,105)
Zakat	(6,526)	-	-	-	(6,526)
NLST	(25,964)	-	-	-	(25,964)
Loss for the period from discontinued operations	-	-	(30,950)	-	(30,950)
	<u>(909,471)</u>	<u>(230,732)</u>	<u>(2,319,627)</u>	<u>(391,036)</u>	<u>(3,850,866)</u>
Total expenses and other charges	<u>(909,471)</u>	<u>(230,732)</u>	<u>(2,319,627)</u>	<u>(391,036)</u>	<u>(3,850,866)</u>
Segment profit (loss)	<u>798,287</u>	<u>654,766</u>	<u>(208,360)</u>	<u>(159,453)</u>	<u>1,085,240</u>

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

10. SEGMENT INFORMATION (continued)

	<i>Financial KD</i>	<i>Real Estate KD</i>	<i>Industries KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>30 September 2022 (Unaudited)</i>					
Total assets	<u>6,425,217</u>	<u>19,121,478</u>	<u>11,645,582</u>	<u>992,798</u>	<u>38,185,075</u>
Total liabilities	<u>3,857,147</u>	<u>3,429,073</u>	<u>3,349,902</u>	<u>542,697</u>	<u>11,178,819</u>
<i>31 December 2021 (Audited)</i>					
Total assets	<u>4,267,440</u>	<u>19,848,497</u>	<u>14,604,345</u>	<u>1,335,143</u>	<u>40,055,425</u>
Total liabilities	<u>4,037,060</u>	<u>3,579,056</u>	<u>2,873,928</u>	<u>737,811</u>	<u>11,227,855</u>
<i>30 September 2021 (Unaudited)</i>					
Total assets	<u>8,774,770</u>	<u>18,923,235</u>	<u>12,372,573</u>	<u>1,026,425</u>	<u>41,097,003</u>
Total liabilities	<u>4,888,791</u>	<u>3,379,664</u>	<u>2,644,650</u>	<u>307,959</u>	<u>11,221,064</u>

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

11. DISCONTINUED OPERATION

On 21 September 2022, the Group signed a sale and purchase agreement (SPA) to sell its entire equity interest of 51.28% in its subsidiary, Carpets Industries Company K.S.C (Closed) ('CIC'). The sale of subsidiary is expected to be completed within a year from the reporting date. Accordingly, as at 30 September 2022, the subsidiary is classified as a disposal group held for sale and as a discontinued operation.

The results of the CIC for the period are presented below:

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<u>2022</u>	<u>2021</u>
	<i>KD</i>	<i>KD</i>
Other income	43,726	158,029
Administrative expenses	(126,367)	(154,852)
Impairment of property, plant and equipment	(120,346)	-
Finance costs	(20,159)	(20,937)
Depreciation	(11,159)	(13,190)
	<u>(234,305)</u>	<u>(30,950)</u>
Loss for the year from discontinued operations	(234,305)	(30,950)
Attributable to:		
Equity holders of the Parent Company	(76,642)	(10,124)
Non-controlling interests	(157,663)	(20,826)
	<u>(234,305)</u>	<u>(30,950)</u>

The major classes of assets and liabilities of CIC classified as held for sale as at 30 September 2022 are, as follows:

	<i>CIC</i>
	<i>KD</i>
Assets	
Property, plant and equipment	5,698,894
Bank balances and cash	5,989
	<u>5,704,883</u>
Assets held for sale	5,704,883
Liabilities	
Lease liabilities	195,017
Accounts payables and accruals	293,156
Employees' end of service benefits	90,741
Due to bank	207,497
	<u>786,411</u>
Liabilities directly associated with assets held for sale	786,411
Net assets directly associated with disposal group	4,918,472

The net cash flow activities by the CIC classified as held for sale are, as follows:

	<i>CIC</i>
	<i>KD</i>
Operating activities	8,329
Financing activities	(9,318)
	<u>(989)</u>
Net cash outflow	(989)

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

12. COMMITMENTS AND CONTINGENCIES

	<i>30 September</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 September</i> <i>2021</i> <i>KD</i>
Letters of guarantee	<u>454,496</u>	<u>476,087</u>	<u>156,902</u>
Letters of credit	<u>5,016</u>	<u>10,307</u>	<u>37,430</u>

The Group has provided bank guarantees and letters of credit in the ordinary course of business. No material liabilities are expected to arise.

Capital commitments

As at 30 September 2022, the Group had ongoing construction contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties of KD Nil (31 December 2021: KD Nil and 30 September 2021: KD 212,711).

Legal case

In 2020, the Court of Cassation ruled in favour of the Parent Company on its disputes with the Qatar National Bank (the 'bank'). As result of this ruling, the Parent Company initiated legal formalities for transferring 25,295,591 shares of Q Holding PSC ('Q Holding') to the bank and also claiming other related assets (i.e. its non-mortgaged holding of Q Holding shares amounting to 40,062,158 shares and related dividends receivable) from Evolvance Capital Ltd (the 'custodian'). However, the Parent Company encountered difficulties in confirming and reclaiming the aforementioned assets from the custodian. Accordingly, the Parent Company fully provided for its investment Q Holding shares.

In 2021, the custodian filed a lawsuit against the Parent Company claiming an amount of AED 71,082,525 (equivalent KD 6,015,643) in lieu of management fees for the years 2007 to 2020. Based on the Parent Company's legal counsel, the amount claimed by the custodian is unrealistic and does not have any merit since the custodian does not have any right to claim management fees according to the mutual contractual agreements. Accordingly, the Parent Company filed a counter claim before the court of law against the custodian. During 2021, the Court also ruled to assign an expert committee to verify the elements of the lawsuit and submit their findings accordingly.

On 27th July 2022, the expert committee gave their findings which were in favour of the Parent Company.

On 28th September 2022, the court ruled in favour of the Parent Company as a result of which the Custodian is required to pay a settlement amount of AED 346,797,739 (equivalent KD 29,349,146) along with an interest of 5% from the date of the lawsuit (i.e. 4th March 2021) until the final payment of settlement.

On 26th October 2022, the Parent Company also obtained a court order to precautionarily seize all movable and liquid funds of the Custodian. However, the Custodian filed an appeal against the ruling and the court hearing scheduled on 7th November 2022 was adjourned to 21st November 2022.

Notwithstanding the above, the Parent Company has been advised by its legal counsel that it is only possible, but not probable, that the appeal against the final ruling will succeed. Accordingly, the Group has not recognised any provision for any management fee liability in the interim condensed consolidated financial information for the period ended 30 September 2022.

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

13. FINANCIAL INSTRUMENTS

Set out below, is an overview of financial assets, other than cash, bank balances, Term deposits, Murabaha and Wakala receivables held by the Group as at 30 September 2022, 31 December 2021 and 30 September 2021:

	<i>30 September 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>30 September 2021 KD</i>
Debt instruments at amortised cost:			
Account receivables and other assets	<u>2,152,419</u>	<u>2,304,689</u>	<u>2,412,448</u>
Financial assets at FVTPL:			
Quoted equity securities	<u>45,316</u>	<u>48,139</u>	<u>45,947</u>
Unquoted equity securities	<u>14,762</u>	<u>14,762</u>	<u>11,512</u>
	<u>60,078</u>	<u>62,901</u>	<u>57,459</u>
Financial assets at FVOCI:			
Quoted equity securities	<u>1,320,776</u>	<u>1,834,409</u>	<u>1,777,334</u>
Unquoted equity securities	<u>49,893</u>	<u>55,811</u>	<u>1,352,234</u>
	<u>1,370,669</u>	<u>1,890,220</u>	<u>3,129,568</u>
Investment securities (at fair value)	<u>1,430,747</u>	<u>1,953,121</u>	<u>3,187,027</u>

Fair values

The following table provides the fair value measurement hierarchy of the Group's financial instruments measured at fair value on a recurring basis as at 30 September 2022, 31 December 2021 and 30 September 2021:

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
<i>As at 30 September 2022</i>			
Financial assets at FVTPL:			
Quoted equity securities	<u>45,316</u>	<u>-</u>	<u>45,316</u>
Unquoted equity securities	<u>-</u>	<u>14,762</u>	<u>14,762</u>
	<u>45,316</u>	<u>14,762</u>	<u>60,078</u>
Financial assets at FVOCI:			
Quoted equity securities	<u>1,320,776</u>	<u>-</u>	<u>1,320,776</u>
Unquoted equity securities	<u>-</u>	<u>49,893</u>	<u>49,893</u>
	<u>1,320,776</u>	<u>49,893</u>	<u>1,370,669</u>
Investment securities (at fair value)	<u>1,366,092</u>	<u>64,655</u>	<u>1,430,747</u>

Al Safat Investment Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

13. FINANCIAL INSTRUMENTS (continued)

Fair values (continued)

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2021 (audited)</i>			
Financial assets at FVTPL:			
Quoted equity securities	48,139	-	48,139
Unquoted equity securities	-	14,762	14,762
	<u>48,139</u>	<u>14,762</u>	<u>62,901</u>
Financial assets at FVOCI			
Quoted equity securities	1,834,409	-	1,834,409
Unquoted equity securities	-	55,811	55,811
	<u>1,834,409</u>	<u>55,811</u>	<u>1,890,220</u>
Investment securities (at fair value)	<u>1,882,548</u>	<u>70,573</u>	<u>1,953,121</u>
<i>As at 30 September 2021</i>			
Financial assets at FVTPL:			
Quoted equity securities	45,947	-	45,947
Unquoted equity securities	-	11,512	11,512
	<u>45,947</u>	<u>11,512</u>	<u>57,459</u>
Financial assets at FVOCI:			
Quoted equity securities	1,777,334	-	1,777,334
Unquoted equity securities	-	1,352,234	1,352,234
	<u>1,777,334</u>	<u>1,352,234</u>	<u>3,129,568</u>
Investment securities (at fair value)	<u>1,823,281</u>	<u>1,363,746</u>	<u>3,187,027</u>

The management assessed that the fair values of other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

	<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 September 2022</i>			
As at 1 January 2022	55,811	14,762	70,573
Disposals	(5,918)	-	(5,918)
As at 30 September 2022	<u>49,893</u>	<u>14,762</u>	<u>64,655</u>
<i>31 December 2021 (audited)</i>			
As at 1 January 2021	1,705,820	11,512	1,717,332
Disposals	(627,695)	-	(627,695)
Remeasurement recognised in OCI	(1,022,314)	-	(1,022,314)
Remeasurement recognised in profit or loss	-	3,250	3,250
As at 31 December 2021	<u>55,811</u>	<u>14,762</u>	<u>70,573</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

13. FINANCIAL INSTRUMENTS (continued)**Fair values (continued)****Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy (continued):**

	<i>Non-listed equity investments</i>		
	<i>Financial assets at FVOCI KD</i>	<i>Financial assets at FVTPL KD</i>	<i>Total KD</i>
<i>30 September 2021</i>			
As at 1 January 2021	1,705,820	11,512	1,717,332
Net disposals	(353,586)	-	(353,586)
	<u>1,352,234</u>	<u>11,512</u>	<u>1,363,746</u>
As at 30 September 2021	<u>1,352,234</u>	<u>11,512</u>	<u>1,363,746</u>

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 Group 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.

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

The Group has performed a sensitivity analysis to the range of significant unobservable inputs used in the fair value measurements during the period. Based on such analysis, there is no material impact on the interim condensed consolidated financial information.