

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

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

30 September 2021



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 2021, 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-month 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 preparation 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 preparation as set out in Note 2.

Emphasis of Matter

We draw attention to Note 12 to the interim condensed consolidated financial information which describes that during the period, Evolvance Capital Ltd (the ‘custodian’), filed a lawsuit against the Parent Company in response to the legal formalities initiated by the Parent Company. On the other hand, the Parent Company filed a counter claim before the court of law against the custodian. Subsequent to the reporting date, the Court ruled to assign an expert committee to verify the elements of the lawsuit and submit their findings accordingly. The ultimate outcome of this matter cannot presently be determined.

Our conclusion not modified is respect to this matter.

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 2021 that might have had a material effect on the business of the Parent Company or on its financial position

**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 (continued)

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-month period ended 30 September 2021 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


10 November 2021
Kuwait


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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2021

			(Audited)	
	Notes	30 September 2021 KD	31 December 2020 KD	30 September 2020 KD
ASSETS				
Cash and bank balances	4	1,745,012	2,556,345	1,392,487
Term deposits		1,355,077	1,360,488	1,371,023
Account receivables and other assets		2,412,448	2,150,956	6,632,856
Inventories		324,288	534,329	1,233,944
Investment securities	5	3,187,027	3,267,584	11,462,287
Investment in associates and joint venture	6	4,552,905	3,666,893	4,635,953
Goodwill and other intangible assets		3,102	4,622	1,275,634
Investment properties	7	18,675,337	17,937,478	15,789,330
Property, plant and equipment		8,810,922	9,041,317	12,598,773
Wakala receivables		30,885	-	-
TOTAL ASSETS		41,097,003	40,520,012	56,392,287
LIABILITIES AND EQUITY				
Liabilities				
Wakala payable		-	-	21,309,102
Bank overdrafts	4	236,949	236,868	182,290
Notes payable		1,004	55,087	106,698
Other liabilities		7,557,852	8,075,774	3,697,188
Lease liabilities		3,425,259	3,575,692	3,647,146
Total liabilities		11,221,064	11,943,421	28,942,424
Equity				
Share capital		26,978,637	25,693,940	25,693,940
Share premium		259,677	259,677	259,677
Statutory reserve		1,334,805	1,334,805	591,965
Voluntary reserve		1,334,805	1,334,805	591,965
Treasury shares	8	(307,393)	(307,393)	(307,393)
Treasury shares reserve		615,002	615,002	615,002
Asset revaluation surplus		231,655	231,655	194,258
Fair value reserve		(10,001,743)	(10,517,317)	(9,714,280)
Foreign currency translation reserve		(449,897)	(472,938)	(493,950)
Other reserves		376,538	376,538	376,849
Retained earnings		3,405,871	3,840,460	1,404,503
Equity attributable to equity holders of the Parent Company		23,777,957	22,389,234	19,212,536
Non-controlling interests		6,097,982	6,187,357	8,237,327
Total equity		29,875,939	28,576,591	27,449,863
TOTAL LIABILITIES AND EQUITY		41,097,003	40,520,012	56,392,287


Abdullah Hamad Al-Terkait
Chairman


Fahad Abdulrahman Al-Mukhaizim
Vice Chairman

The attached notes 1 to 14 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 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 KD	2020 KD	2021 KD	2020 KD
Revenue					
Revenue from contracts with customers		824,393	714,509	2,376,988	2,087,069
Cost of sales		(631,682)	(582,515)	(1,727,843)	(1,769,769)
Gross profit		192,711	131,994	649,145	317,300
Net investment income (loss) on financial assets	10	27,838	128,790	294,164	(41,184)
Share of results of associates and joint venture		41,460	11,488	860,836	(901,110)
Change in fair value of investment properties		-	(57,460)	(256,367)	(390,381)
Net rental income		385,343	254,437	1,170,659	746,034
Net (allowance) reversal for expected credit losses on trade receivables		(148,430)	-	125,144	-
Provision on inventories		(122,500)	-	(122,500)	-
Net foreign exchange differences		(11,277)	101,387	(35,717)	(125,829)
General and administrative expenses		(631,458)	(1,025,284)	(2,032,621)	(2,116,383)
Operating (loss) profit		(266,313)	(454,648)	652,743	(2,511,553)
Other income		488,807	131,317	680,928	210,727
Finance costs		(62,817)	(56,488)	(204,836)	(175,684)
PROFIT (LOSS) BEFORE TAX		159,677	(379,819)	1,128,835	(2,476,510)
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)	-
PROFIT (LOSS) FOR THE PERIOD		129,102	(379,819)	1,085,240	(2,476,510)
Attributable to:					
Equity holders of the Parent Company		260,944	(264,967)	1,190,240	(2,252,078)
Non-controlling interests		(131,842)	(114,852)	(105,000)	(224,432)
		129,102	(379,819)	1,085,240	(2,476,510)
BASIC AND DILUTED EPS (FILS)	9	0.970	(0.985)	4.426	(8.374)

The attached notes 1 to 14 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 2021

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	2021	2020	2021	2020
	KD	KD	KD	KD
Profit (loss) for the period	129,102	(379,819)	1,085,240	(2,476,510)
Other comprehensive (loss) income				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Share of associates' other comprehensive loss	(19,129)	(17,798)	11,089	(81,551)
Exchange differences on translation of foreign operations	8,914	28,460	25,289	(30,153)
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	(10,215)	10,662	36,378	(111,704)
<i>Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:</i>				
Net changes in fair value of equity instruments designated at fair value through other comprehensive income	472,866	(1,189,468)	163,637	310,863
Net other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods	472,866	(1,189,468)	163,637	310,863
Other comprehensive income (loss)	462,651	(1,178,806)	200,015	199,159
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	591,753	(1,558,625)	1,285,255	(2,277,351)
Attributable to:				
Equity holders of the Parent Company	723,110	(1,453,566)	1,378,855	(1,785,362)
Non-controlling interests	(131,357)	(105,059)	(93,600)	(491,989)
	591,753	(1,558,625)	1,285,255	(2,277,351)

The attached notes 1 to 14 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)

For the period ended 30 September 2021

	<i>Equity attributable to equity holders of the Parent Company</i>													
	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Asset revaluation surplus KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Other reserves KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
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 14 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)

For the period ended 30 September 2021

	<i>Equity attributable to equity holders of the Parent Company</i>													
	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Asset revaluation surplus KD</i>	<i>Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Other reserves KD</i>	<i>Retained earnings KD</i>	<i>Sub-total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2020	25,693,940	259,677	591,965	591,965	(307,393)	615,002	194,258	(10,759,671)	(477,797)	-	4,219,103	20,621,049	8,291,535	28,912,584
Loss for the period	-	-	-	-	-	-	-	-	-	-	(2,252,078)	(2,252,078)	(224,432)	(2,476,510)
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	482,869	(16,153)	-	-	466,716	(267,557)	199,159
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	482,869	(16,153)	-	(2,252,078)	(1,785,362)	(491,989)	(2,277,351)
Transfer on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	562,522	-	-	(562,522)	-	-	-
Change in ownership of subsidiary without loss of control	-	-	-	-	-	-	-	-	-	376,849	-	376,849	437,781	814,630
At 30 September 2020	<u>25,693,940</u>	<u>259,677</u>	<u>591,965</u>	<u>591,965</u>	<u>(307,393)</u>	<u>615,002</u>	<u>194,258</u>	<u>(9,714,280)</u>	<u>(493,950)</u>	<u>376,849</u>	<u>1,404,503</u>	<u>19,212,536</u>	<u>8,237,327</u>	<u>27,449,863</u>

The attached notes 1 to 14 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 2021

	Notes	30 September 2021 KD	30 September 2020 KD
OPERATING ACTIVITIES			
Profit (loss) before tax		1,128,835	(2,476,510)
<i>Adjustments to reconcile profit (loss) before tax to net cash flows:</i>			
Depreciation of property, plant and equipment		349,324	345,814
Amortisation of intangible assets		1,520	1,149
Impairment of intangible assets		-	8,707
Income from term deposits	10	(68,531)	(86,276)
Dividend income	10	(195,264)	(60,186)
Realised (gain) loss on financial assets at fair value through profit or loss	10	(24,417)	33,969
Unrealised (gain) loss on financial assets at fair value through profit or loss	10	(5,952)	153,677
Change in fair value of investment properties	7	256,367	390,381
Share of results of associates		(860,836)	901,110
Provision on inventories		122,500	-
Net reversal allowance for expected credit losses on trade receivables		125,144	-
Provision for employees' end of service benefits		113,061	91,782
Finance costs		242,577	175,684
Loss of sale property, plant and equipment		3,702	-
		1,188,030	(520,699)
<i>Changes in operating assets and liabilities</i>			
Financial assets at fair value through profit or loss		270,979	(134,658)
Accounts receivables and other assets		(386,636)	(274,074)
Inventories		87,541	(91,697)
Other liabilities		(509,797)	470,268
		650,117	(550,860)
<i>Cashflows used in operations</i>			
Employees' end of service benefits paid		(121,186)	(86,136)
Receipt of government grants		-	28,419
		528,931	(608,577)
Net cash flows from (used in) operating activities			
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(130,601)	(806,885)
Proceeds from sale of property, plant and equipment		8,015	-
Capital expenditure incurred on investment properties	7	(994,226)	-
Income received from term deposits		68,531	86,276
Purchase of intangible assets		-	(350)
Dividend income received		195,264	60,186
Investment in a joint venture	6	-	(1,000,000)
		(853,017)	(1,660,773)
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Payment of lease liabilities		(393,010)	(366,375)
Net wakala receivables		(30,885)	-
Net movement in notes payable		(54,083)	(58,804)
		(477,978)	(425,179)
Net cash flows used in financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS		(802,064)	(2,694,529)
Cash and cash equivalents at 1 January		2,319,477	3,924,960
Net foreign exchange differences		(9,350)	(20,234)
		1,508,063	1,210,197
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	4		

The attached notes 1 to 14 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 2021

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 2021 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 10 November 2021.

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 04 May 2021 approved the consolidated financial statements for the year ended 31 December 2020 and approved no cash dividend for the year ended 31 December 2020 (31 December 2019: Nil). Further at the extraordinary general meeting (“EGM”) held on 11 May 2021, the shareholders of the Parent Company approved distribution of 5% bonus shares (31 December 2019: Nil). The bonus shares increased the number of issued and fully paid up shares by 269,786,370 (2020: 256,939,400) and share capital by KD 26,978,637 (2020: KD 25,693,940).

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 2021 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 2021 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 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 2020.

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 2020, except for the adoption of new standards effective as of 1 January 2021. 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 2021, 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 2021

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

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

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 consolidated financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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 and are subject to the approval of the shareholders at the annual general assembly meeting (AGM).

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

December 2020 and 30 September 2020.

	(Audited)			
	30 September 2021 KD	31 December 2020 KD	30 September 2020 KD	
Statement of financial position:				
Other assets - <i>Other related parties</i>	318,102	312,714	152,355	
Financial assets at FVTPL - <i>Other related parties</i>	45,427	39,472	37,911	
Financial assets at FVOCI - <i>Other related parties</i>	1,325,470	1,325,470	2,506,245	
Other liabilities - <i>Associate companies</i>	350,000	-	685,000	
	Three months ended 30 September		Nine months ended 30 September	
	2021 KD	2020 KD	2021 KD	2020 KD
Statement of profit or loss:				
Management fees - <i>Associate companies</i>	933	3,424	2,884	10,931
Management fees - <i>Other related parties</i>	184	140	457	1,675

Other transactions

The Group also manages investment portfolios on behalf of related parties amounting to KD 8,490,792 (31 December 2020: KD 9,831,449 and 30 September 2020: KD 9,905,075).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

3. RELATED PARTIES DISCLOSURES (continued)

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>	
	2021	2020	2021	2020
	KD	KD	KD	KD
Salaries and short-term benefits	25,024	45,024	78,072	99,851
Committees' remuneration	-	39,000	-	39,000
Employees' end of service benefits	3,246	3,246	9,736	9,736
	28,270	87,270	87,808	148,587

	<i>30 September 2021</i>	<i>(Audited) 31 December 2020</i>	<i>30 September 2020</i>
	KD	KD	KD
Salaries and short-term benefits	16,231	18,753	18,247
Employees' end of service benefits	87,447	77,755	74,466
	103,678	96,508	92,713

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:

	<i>30 September 2021</i>	<i>(Audited) 31 December 2020</i>	<i>30 September 2020</i>
	KD	KD	KD
Cash on hand	52,911	40,333	40,081
Cash at banks and financial institutions	1,692,101	2,516,012	1,352,406
Total cash and bank balances	1,745,012	2,556,345	1,392,487
Less: bank overdrafts	(236,949)	(236,868)	(182,290)
Total cash and cash equivalents	1,508,063	2,319,477	1,210,197

5. INVESTMENT SECURITIES

	<i>30 September 2021</i>	<i>(Audited) 31 December 2020</i>	<i>30 September 2020</i>
	KD	KD	KD
<i>Financial assets at FVTPL</i>			
Quoted equity securities	45,947	286,554	1,684,938
Unquoted equity securities	11,512	11,512	127,807
	57,459	298,066	1,812,745
<i>Financial assets at FVOCI</i>			
Quoted equity securities	1,777,334	1,263,698	6,254,544
Unquoted equity securities	1,352,234	1,705,820	3,394,998
	3,129,568	2,969,518	9,649,542
Investment securities (at fair value)	3,187,027	3,267,584	11,462,287

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

5. INVESTMENT SECURITIES (continued)

Financial assets at FVTPL include investments in related parties of KD 45,427 (31 December 2020: KD 39,472 and 30 September 2020: KD 37,911). Financial assets at FVOCI include investments in related parties of KD 1,325,470 (31 December 2020: KD 1,325,470 and 30 September 2020: KD 2,506,245) (Note 3).

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

6. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

On 11 February 2020, the Group invested 50% equity interest in The Liquid Capital Company W.L.L. ('jointly controlled entity'). The jointly controlled entity is a limited liability company incorporated and domiciled in Kuwait with a paid-up capital of KD 2,000,000 and for which the Group contributed KD 1,000,000.

7. INVESTMENT PROPERTIES

	30 September 2021 KD	(Audited) 31 December 2020 KD	30 September 2020 KD
At the beginning of the period / year	17,937,478	16,179,711	16,179,711
Capital expenditure	994,226	440,052	-
Change in fair value	(256,367)	(2,416,276)	(390,381)
Exchange differences	-	(4,496)	-
Transfer of property under development	-	3,738,487	-
	18,675,337	17,937,478	15,789,330

The fair value of investment properties was independently determined at 31 December 2020 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 and the deterioration of credit quality of tenants lead 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 256,367 (31 December 2020: decrease of KD 2,416,276 and 30 September 2020: decrease of 390,381). 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 will be new information available to consider.

There has been no change in the valuation methodology used for investment properties as a result of COVID-19. Investment properties are classified in Level 2 and Level 3 of the fair value hierarchy.

Fair value sensitivity

Whilst the valuation of investment properties reflects the management's best assessment of the impact of COVID-19 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 99,254. This analysis assumes that all other variables, remain constant.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

8. TREASURY SHARES

	<i>30 September 2021</i>	<i>(Audited) 31 December 2020</i>	<i>30 September 2020</i>
Number of treasury shares	844,705	803,011	803,011
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.

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

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

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Profit (loss) for the period attributable to equity holders of the Parent Company (KD)	260,944	(264,967)	1,190,240	(2,252,078)
Weighted average number of outstanding shares*	268,941,665	268,941,665	268,941,665	268,941,665
Basic and diluted EPS (fils)	0.970	(0.985)	4.426	(8.374)

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

10. NET INVESTMENT INCOME (LOSS) ON FINANCIAL ASSETS

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2021 KD</i>	<i>2020 KD</i>	<i>2021 KD</i>	<i>2020 KD</i>
Income from term deposits	23,207	25,986	68,531	86,276
Dividend income	-	39,112	195,264	60,186
Realised gain (loss) on sale of financial assets at FVTPL	-	-	24,417	(33,969)
Unrealised gain (loss) on financial assets at FVTPL	4,631	63,692	5,952	(153,677)
	27,838	128,790	294,164	(41,184)

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 2021

11. 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 30 September 2021 (Unaudited)</i>				
	<i>Financial KD</i>	<i>Real estate KD</i>	<i>Industries KD</i>	<i>Others KD</i>	<i>Total KD</i>
Revenue from contracts with customers	-	-	2,366,236	10,752	2,376,988
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 reversal allowance for expected credit losses on trade receivables	125,144	-	-	-	125,144
Provision on inventories	-	-	(122,500)	-	(122,500)
Net foreign exchange differences	(6,723)	(28,794)	-	(200)	(35,717)
Other income	372,103	-	87,794	221,031	680,928
Total income	1,707,758	885,498	2,269,296	231,583	5,094,135
Cost of sales	-	-	(1,657,346)	(70,497)	(1,727,843)
Finance cost	-	(158,308)	(46,528)	-	(204,836)
General and administrative expenses	(865,876)	(72,424)	(773,782)	(320,539)	(2,032,621)
KFAS	(11,105)	-	-	-	(11,105)
Zakat	(6,526)	-	-	-	(6,526)
NLST	(25,964)	-	-	-	(25,964)
Total expenses and other charges	(909,471)	(230,732)	(2,477,656)	(391,036)	(4,008,895)
Segment (loss) profit	798,287	654,766	(208,360)	(159,453)	1,085,240

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 2021

11. SEGMENT INFORMATION (continued)

	<i>Nine months ended 30 September 2020 (Unaudited)</i>				
	<i>Financial KD</i>	<i>Real Estate KD</i>	<i>Industries KD</i>	<i>Others KD</i>	<i>Total KD</i>
Revenue from contracts with customers	-	-	2,068,179	18,890	2,087,069
Net investment loss on financial assets	(41,184)	-	-	-	(41,184)
Share of results of associates and joint venture	(48,625)	-	(852,485)	-	(901,110)
Change in fair value of investment properties	-	(390,381)	-	-	(390,381)
Net rental income	-	746,034	-	-	746,034
Net foreign exchange differences	(158,783)	33,448	-	(494)	(125,829)
Other income	30,940	-	38,859	140,928	210,727
Total income (loss)	(217,652)	389,101	1,254,553	159,324	1,585,326
Cost of sales	-	-	(1,699,019)	(70,750)	(1,769,769)
Finance Cost	-	(136,834)	(38,850)	-	(175,684)
General and administrative expenses	(772,094)	(81,346)	(689,184)	(573,759)	(2,116,383)
Total expenses and other charges	(772,094)	(218,180)	(2,427,053)	(644,509)	(4,061,836)
Segment (loss) profit	(989,746)	170,921	(1,172,500)	(485,185)	(2,476,510)
	<i>Financial KD</i>	<i>Real Estate KD</i>	<i>Industries KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>Nine months ended 30 September 2021 (Unaudited)</i>					
Total assets	8,774,770	18,923,235	12,372,573	1,026,425	41,097,003
Total liabilities	4,888,791	3,379,664	2,644,650	307,959	11,221,064
<i>Nine months ended 30 September 2020 (Unaudited)</i>					
Total assets	18,816,596	19,358,335	17,242,726	974,630	56,392,287
Total liabilities	22,341,001	3,107,741	2,462,849	1,030,833	28,942,424

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

12. COMMITMENTS AND CONTINGENCIES

	<i>30 September 2021</i>	<i>(Audited) 31 December 2020</i>	<i>30 September 2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Letters of guarantee	156,902	225,976	300,278
Letters of credit	37,430	-	-

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 2021, the Group had ongoing construction contracts with third parties and is consequently committed to future capital expenditure in respect of investment properties of KD 212,711 (31 December 2020: KD 1,118,800 and 30 September 2020: KD 1,098,349).

Legal case

During last year, the Court of Cassation ruled in favour of the Parent Company on its disputes with the bank. As result of this ruling, the Parent Company initiated legal formalities for transferring 25,295,591 shares of Qudra to the bank and also claiming other related assets (i.e. its non-mortgaged holding of Qudra shares amounting to KD 3,250,521 and related dividends receivable of KD 1,417,702) from Evolvance Capital Ltd (the 'custodian'). However, the Parent Company encountered difficulties in confirming and reclaiming the aforementioned assets from the custodian. Further, during last year, the custodian filed a lawsuit against the Parent Company claiming an amount of AED 71,082,525 (equivalent KD 5,826,926) in lieu of management fees for the years 2007 to 2020.

The Parent Company intends to contest the custodian's claim in the court of law. 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. Further, on 25 April 2021, the Parent Company filed a counter claim before the court of law against the custodian.

Subsequent to the reporting date, the Court ruled to assign an expert committee to verify the elements of the lawsuit and submit their findings accordingly.

Notwithstanding the above, the Parent Company has been advised by its legal counsel that it is only possible, but not probable, that the action against the Parent Company will succeed. Accordingly, the Group has not recognised any provision for any liability in the interim condensed consolidated financial information for the period ended 30 September 2021.

13. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The table below summarises the maturity profile of the undiscounted cash flows of the Group's financial assets and liabilities as at 30 September 2021, 31 December 2020 and 30 September 2020:

	<i>Less than 3 months</i>	<i>3 to 12 months</i>	<i>More than 1 Years</i>	<i>Total</i>
<i>30 September 2021</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Financial assets				
Cash and bank balances	1,745,012	-	-	1,745,012
Term deposits	-	11,206	1,485,408	1,496,614
Account receivables and other assets	715,772	1,696,676	-	2,412,448
Investment securities	45,947	1,788,846	1,352,234	3,187,027
Wakala receivable	1,881	5,643	24,303	31,827
	2,508,612	3,502,371	2,861,945	8,872,928

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 2021

13. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	<i>Less than 3 months KD</i>	<i>3 to 12 months KD</i>	<i>More than 1 Years KD</i>	<i>Total KD</i>
30 September 2021				
<i>Financial liabilities</i>				
Bank overdrafts	248,796	-	-	248,796
Notes payable	-	1,054	-	1,054
Lease liabilities	120,225	488,441	4,051,050	4,659,716
Other liabilities	2,305,916	4,340,691	911,245	7,557,852
	<u>2,674,937</u>	<u>4,830,186</u>	<u>4,962,295</u>	<u>12,467,418</u>
NET LIQUIDTY GAP	<u>(166,325)</u>	<u>(1,327,815)</u>	<u>(2,100,350)</u>	<u>(3,594,490)</u>
	<i>Less than 3 months KD</i>	<i>3 to 12 months KD</i>	<i>More than 1 years KD</i>	<i>Total KD</i>
31 December 2020				
<i>Financial assets</i>				
Cash and bank balances	2,556,345	-	-	2,556,345
Term deposits	-	11,275	1,580,860	1,592,135
Account receivables and other assets	474,694	1,676,262	-	2,150,956
Investment securities	286,554	1,275,210	1,705,820	3,267,584
	<u>3,317,593</u>	<u>2,962,747</u>	<u>3,286,680</u>	<u>9,567,020</u>
<i>Financial liabilities</i>				
Bank overdrafts	248,711	-	-	248,711
Notes payable	-	57,841	-	57,841
Lease liabilities	116,625	477,641	4,383,046	4,977,312
Other liabilities	3,046,991	4,109,414	919,369	8,075,774
	<u>3,412,327</u>	<u>4,644,896</u>	<u>5,302,415</u>	<u>13,359,638</u>
NET LIQUIDTY GAP	<u>(94,734)</u>	<u>(1,682,149)</u>	<u>(2,015,735)</u>	<u>(3,792,618)</u>
30 September 2020				
<i>Financial assets</i>				
Cash and bank balance	1,392,487	-	-	1,392,487
Term deposit	-	11,206	1,583,371	1,594,577
Account receivables and other assets	2,222,366	4,410,490	-	6,632,856
Investment securities	1,812,745	6,254,544	3,394,998	11,462,287
	<u>5,427,598</u>	<u>10,676,240</u>	<u>4,978,369</u>	<u>21,082,207</u>
<i>Financial liabilities</i>				
Wakala payable	21,309,102	-	-	21,309,102
Other liabilities	1,618,028	1,191,160	888,000	3,697,188
Bank overdrafts	184,113	-	-	184,113
Lease liabilities	116,625	384,797	4,590,134	5,091,556
Notes payable	-	108,832	-	108,832
	<u>23,227,868</u>	<u>1,684,789</u>	<u>5,478,134</u>	<u>30,390,791</u>
NET LIQUIDTY GAP	<u>(17,800,270)</u>	<u>8,991,451</u>	<u>(499,765)</u>	<u>(9,308,584)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

13. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Set out below, is an overview of financial assets, other than cash and term deposits, held by the Group as at 30 September 2021, 31 December 2020 and 30 September 2020:

	<i>30 September 2021 KD</i>	<i>(Audited) 31 December 2020 KD</i>	<i>30 September 2020 KD</i>
Debt instruments at amortised cost:			
Account receivables and other assets	<u>2,412,448</u>	<u>2,150,956</u>	<u>6,632,856</u>
Financial assets at FVTPL:			
Quoted equity securities	<u>45,947</u>	<u>286,554</u>	<u>1,684,938</u>
Unquoted equity securities	<u>11,512</u>	<u>11,512</u>	<u>127,807</u>
	<u>57,459</u>	<u>298,066</u>	<u>1,812,745</u>
Financial assets at FVOCI:			
Quoted equity securities	<u>1,777,334</u>	<u>1,263,698</u>	<u>6,254,544</u>
Unquoted equity securities	<u>1,352,234</u>	<u>1,705,820</u>	<u>3,394,998</u>
	<u>3,129,568</u>	<u>2,969,518</u>	<u>9,649,542</u>
Total	<u>5,599,475</u>	<u>5,418,540</u>	<u>18,095,143</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 2021, 31 December 2020 and 30 September 2020:

	<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 2021</i>			
Financial assets at FVTPL:			
Quoted equity securities	<u>45,947</u>	<u>-</u>	<u>45,947</u>
Unquoted equity securities	<u>-</u>	<u>11,512</u>	<u>11,512</u>
	<u>45,947</u>	<u>11,512</u>	<u>57,459</u>
Financial assets at FVOCI:			
Quoted equity securities	<u>1,777,334</u>	<u>-</u>	<u>1,777,334</u>
Unquoted equity securities	<u>-</u>	<u>1,352,234</u>	<u>1,352,234</u>
	<u>1,777,334</u>	<u>1,352,234</u>	<u>3,129,568</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

13. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (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 2020</i>			
Financial assets at FVTPL:			
Quoted equity securities	286,554	-	286,554
Unquoted equity securities	-	11,512	11,512
	<u>286,554</u>	<u>11,512</u>	<u>298,066</u>
Financial assets at FVOCI			
Quoted equity securities	1,263,698	-	1,263,698
Unquoted equity securities	-	1,705,820	1,705,820
	<u>1,263,698</u>	<u>1,705,820</u>	<u>2,969,518</u>
	<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>As at 30 September 2020</i>			
Financial assets at FVTPL:			
Quoted equity securities	1,684,938	-	1,684,938
Unquoted equity securities	-	127,807	127,807
	<u>1,684,938</u>	<u>127,807</u>	<u>1,812,745</u>
Financial assets at FVOCI:			
Quoted equity securities	6,254,544	-	6,254,544
Unquoted equity securities	-	3,394,998	3,394,998
	<u>6,254,544</u>	<u>3,394,998</u>	<u>9,649,542</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 2021</i>			
As at 1 January 2021	1,705,820	11,512	1,717,332
Net disposals	(353,586)	-	(353,586)
As at 30 September 2021	<u>1,352,234</u>	<u>11,512</u>	<u>1,363,746</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2021

13. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (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</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	4,717,232	108,191	4,825,423
Net disposals	(1,396,862)	-	(1,396,862)
Remeasurement recognised in OCI	(1,614,550)	-	(1,614,550)
Remeasurement recognised in profit or loss	-	(96,679)	(96,679)
As at 31 December 2020	<u>1,705,820</u>	<u>11,512</u>	<u>1,717,332</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 September 2020</i>			
As at 1 January 2020	4,717,232	108,191	4,825,423
Remeasurement recognised in OCI	(322,234)	-	(322,234)
Sales	(1,000,000)	-	(1,000,000)
Transfer from level 1 to level 3	-	19,616	19,616
As at 30 September 2020	<u>3,394,998</u>	<u>127,807</u>	<u>3,522,805</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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at and for the period ended 30 September 2021

14. IMPACT OF COVID-19

The COVID-19 pandemic continues to spread across global geographies causing disruption to business and economic activities and bringing significant uncertainties to the global economic environment. Fiscal and monetary authorities worldwide launched extensive responses designed to mitigate the severe consequences of the pandemic.

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group's financial and non-financial assets. The reported amounts best represent management's assessment based on observable information. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental and the Group will accordingly continue to reassess its position and the related impact on a regular basis.

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