

**Jassim Transport & Stevedoring Company K.S.C.
(Closed) and its Subsidiaries**

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

31 MARCH 2021





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INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF JASSIM TRANSPORT & STEVEDORING COMPANY K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jassim Transport & Stevedoring Company K.S.C. (CLOSED) ("the Parent Company") and its subsidiaries (collectively, the "Group") as at 31 March 2021, and the related interim condensed consolidated statement of income, interim condensed consolidated statements of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three 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 International Accounting Standard IAS 34: Interim Financial Reporting ("IAS 34"). 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 condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, it 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.

Other Matter

The comparative interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and related notes for the three months period ended 31 March 2020, were not audited, reviewed or compiled by us and accordingly, we do not express a conclusion, opinion or any form of assurance on them.

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 IAS 34.

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SHEIKHA AL FULAIJ
LICENCE NO. 289A
EY
AL AIBAN, AL OSAIMI & PARTNERS

3 August 2021
Kuwait

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2021

		<i>Three months ended 31 March</i>	
		<i>(Unaudited and Unreviewed)</i>	
	<i>Note</i>	<i>2021 KD</i>	<i>2020 KD</i>
Revenue	3	5,174,060	5,592,659
Operating expenses		(3,937,862)	(3,571,903)
GROSS PROFIT		1,236,198	2,020,756
Other income		36,460	37,204
Administrative expenses		(625,621)	(540,850)
Finance costs		(27,417)	(27,356)
PROFIT BEFORE PROVISION FOR CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS) AND ZAKAT		619,620	1,489,754
KFAS		(6,196)	(14,898)
Zakat		(6,196)	(14,898)
Board remuneration		(6,000)	(8,500)
PROFIT FOR THE PERIOD		601,228	1,451,458

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

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)

For the period ended 31 March 2021

	<i>Three months ended 31 March</i>	
	<i>(Unaudited and Unreviewed)</i>	
	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	601,228	1,451,458
Other comprehensive income:		
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>		
Exchange difference on translation	(557)	(2,144)
<i>Items that will not be subsequently reclassified to interim condensed consolidated statement of income:</i>		
Unrealized loss on financial assets at fair value through other comprehensive income	(49,840)	(44,611)
Other comprehensive loss for the period	(50,397)	(46,755)
Total comprehensive income for the period	550,831	1,404,703


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

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)


For the period ended 31 March 2021

		<i>Restated*</i>	<i>Restated*</i>
		<i>(Audited)</i>	<i>(Unaudited and</i>
	<i>31 March</i>	<i>31 December</i>	<i>Unreviewed)</i>
	<i>2021</i>	<i>2020</i>	<i>31 March</i>
	<i>KD</i>	<i>KD</i>	<i>2020</i>
	<i>Notes</i>		<i>KD</i>
ASSETS			
Non-current assets			
Property and equipment	4	36,958,814	36,890,603
Right of use asset		1,190,439	1,040,173
		<u>38,149,253</u>	<u>37,930,776</u>
Current assets			
Inventories		668,725	608,793
Financial assets at fair value through other comprehensive income		204,197	254,037
Account receivables and prepayments		7,181,743	7,916,751
Cash and cash equivalents	5	4,655,629	3,926,777
		<u>12,710,294</u>	<u>12,706,358</u>
TOTAL ASSETS		<u><u>50,859,547</u></u>	<u><u>50,637,134</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	15,000,000	15,000,000
Statutory reserve		6,111,806	6,111,806
Revaluation surplus		8,843,850	8,693,850
Fair value reserve		97,517	147,357
Foreign currency translation reserve		(10,217)	(9,660)
Retained earnings		10,939,658	13,338,430
Total equity		<u>40,982,614</u>	<u>43,431,783</u>
Non-current liabilities			
Employees' end of service benefits		1,563,890	1,506,358
Lease liabilities		612,382	505,238
		<u>2,176,272</u>	<u>2,011,596</u>
Current liabilities			
Account payables and accruals		7,072,263	4,612,262
Lease liabilities		628,398	581,493
		<u>7,700,661</u>	<u>5,193,755</u>
Total liabilities		<u>9,876,933</u>	<u>7,205,351</u>
TOTAL EQUITY AND LIABILITIES		<u><u>50,859,547</u></u>	<u><u>53,214,314</u></u>

*Certain amounts presented do not correspond to the consolidated financial statements as at 31 December 2020 and reflect adjustments made as detailed in Note 12.


 Sheikh Ali Fawaz D. S. Al Sabah
 (Chairman)


 Adel Kohari
 (Chief Executive Officer)


 Rajeev Kulkarni
 (Chief Financial Officer)

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

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2021

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Revaluation surplus KD</i>	<i>Fair Value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2021 (as previously stated)	15,000,000	6,111,806	9,575,000	147,357	(9,660)	13,338,430	44,162,933
Impact of correction of errors (Note 12)	-	-	(731,150)	-	-	-	(731,150)
Restated balance as at 1 January 2021*	15,000,000	6,111,806	8,843,850	147,357	(9,660)	13,338,430	43,431,783
Profit for the period	-	-	-	-	-	601,228	601,228
Other comprehensive loss for the period	-	-	-	(49,840)	(557)	-	(50,397)
Total comprehensive income (loss) for the period	-	-	-	(49,840)	(557)	601,228	550,831
Dividend (Note 6)	-	-	-	-	-	(3,000,000)	(3,000,000)
As at 31 March 2021	15,000,000	6,111,806	8,843,850	97,517	(10,217)	10,939,658	40,982,614
As at 1 January 2020 (as previously stated)	15,000,000	5,692,824	9,425,000	105,068	(1,246)	15,684,705	45,906,351
Impact of correction of errors (Note 12)	-	-	(731,150)	-	-	-	(731,150)
Restated balance as at 1 January 2020*	15,000,000	5,692,824	8,693,850	105,068	(1,246)	15,684,705	45,175,201
Profit for the period	-	-	-	-	-	1,451,458	1,451,458
Other comprehensive loss for the period	-	-	-	(44,611)	(2,144)	-	(46,755)
Total comprehensive (loss) income for the period	-	-	-	(44,611)	(2,144)	1,451,458	1,404,703
As at 31 March 2020	15,000,000	5,692,824	8,693,850	60,457	(3,390)	17,136,163	46,579,904

*Certain amounts presented do not correspond to the consolidated financial statements as at 31 December 2020 and reflect adjustments made as detailed in Note 12.

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

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 31 March 2021

	Notes	Three months ended 31 March	
		2021 KD	(Unaudited and Unreviewed) 2020 KD
OPERATING ACTIVITIES			
Profit for the period		601,228	1,451,458
Non-cash adjustments to reconcile profit for the year to net cash flows:			
Gain on disposal of property and equipment		(13,316)	-
Gain on termination of lease		(1,461)	(5,129)
Depreciation	4	1,046,782	1,001,854
Amortization on right of use asset		169,191	146,000
Provision for expected credit losses on trade receivables		81,204	-
Provision for employees' end of service benefits		70,229	59,372
Interest income		(7,704)	(27,863)
Finance costs		27,417	27,356
		<u>1,973,570</u>	<u>2,653,048</u>
Working capital changes:			
Inventories		(59,932)	(11,495)
Trade receivables and prepayments		653,804	(1,790,212)
Trade payables and accruals		(540,721)	834,125
		<u>2,026,721</u>	<u>1,685,466</u>
Cash flows from operations			
Employees' end of service benefits paid		(12,505)	(20,684)
		<u>2,014,216</u>	<u>1,664,782</u>
INVESTING ACTIVITIES			
Purchase of property and equipment	4	(1,142,147)	(1,848,777)
Proceeds from disposal of property and equipment		22,657	-
Net movement in fixed deposits with original maturities more than three months		500,000	1,000,000
Interest income received		7,704	27,863
		<u>(611,786)</u>	<u>(820,914)</u>
FINANCING ACTIVITIES			
Finance costs paid		(10,969)	(12,439)
Finance costs paid on lease liability		(16,448)	(14,917)
Lease payments of principal amounts		(163,414)	(140,186)
		<u>(190,831)</u>	<u>(167,542)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		<u>1,211,599</u>	<u>676,326</u>
Effect of foreign currency translation		17,253	(137,435)
Cash and cash equivalents at 1 January	5	3,426,777	4,541,676
		<u>4,655,629</u>	<u>5,080,567</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER			
Non-cash transactions			
Additions to right of use asset		333,862	154,260
Additions to lease liabilities		(333,862)	(154,260)
		<u>-</u>	<u>-</u>

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

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2021

1 INCORPORATION AND ACTIVITIES

The interim condensed consolidated financial information of Jassim Transport & Stevedoring Company K.S.C. (Closed) (the “Parent Company”) and its subsidiaries (collectively, the “Group”), for the period ended 31 March 2021 were authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 3 August 2021.

The Parent Company is a closed Kuwaiti shareholding Company registered and incorporated in Kuwait on 25 May 1979. It’s registered head office is at Mirqab, Area No 1, Building No 8, Saleh Sulaiman Al Jarah Real Estate Complex, Office 2, 5th floor, P.O. Box 22801, Safat 13089, Kuwait. The Parent Company is a subsidiary of Qurain Petrochemical Industries Company K.S.C.P., a Company listed on the Kuwait stock exchange.

The activities of the Parent Company as per the Articles of Association comprise of the following:

1. Carry out all road transport operations outside the State of Kuwait and in particular operations related to carrying passengers by any mean of land transportation.
2. Buy, sell, rent, hire and import all kinds of trucks, vehicles, equipment and machinery, light and heavy, and any necessary mean for stevedoring, land , sea materials transportation inside and outside Kuwait.
3. Develop any private road transport industry or related to it (after getting the approval of the Public Authority for Industry).
4. Clearance, shipping and stevedoring operations for imported and issued goods and packaging goods of all kinds.
5. Participate in the management, operation and maintenance and the establishment of maritime and land ports and container terminals related to this activity.
6. Practicing all e-commerce activities, according to the company's activity.
7. Build and rent the necessary buildings for services and crafts related to stevedoring and land and maritime transport.
8. Shipping and services of all kinds of vessels and supply ships and ships agents for companies.
9. Provide all transportation and airport management services, which include ground support services for passengers, aircraft and aviation-related goods.
10. Owns moveable property and real estate to conduct its operations in the permissible limits according to the law.
11. Using the available funds of the Parent Company by investing them in financial portfolios managed by specialized authorities and companies.
12. Stevedoring services, loading and unloading ships and maritime transport.
13. Perform all road transport operations, transporting goods and various materials inside and outside the State of Kuwait. Especially, operations related to the transport of general cargo and bulk fuel, water and precious chemical materials by any mean of transportation.
14. Owns stocks and bonds for the Parent Company account only (Parent Company may have an interest or participate in any way with bodies engaged in similar activities or which may assist in achieving its objectives in Kuwait or abroad and it may arise or participates or buy these bodies or join them in their equity).The Parent Company may perform the aforementioned activities within or outside the State of Kuwait as a legal entity or as an agent.

The Parent Company may perform other similar, complementary or connected activities to its main activities.

The consolidated financial statements of the Group for the year ended 31 December 2020 were approved by the shareholders of the Parent Company in the Annual General Meeting held on 31 March 2021.

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 three months ended 31 March 2021 has been prepared in accordance with *IAS 34 “Interim Financial Reporting”*.

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. In addition, results for the three months period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL

INFORMATION (UNAUDITED)

31 March 2021

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

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies and methods of computation 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 other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial information of the Group.

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 REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers based on type of services and equipment:

	<i>Three months ended 31 March</i>	
	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>
Transportation	844,016	544,929
Stevedoring	1,764,419	2,135,390
Leasing equipment	2,409,115	2,680,115
Warehousing	156,510	232,225
	5,174,060	5,592,659
Timing of revenue recognition		
Goods and services transferred at a point in time	2,673,489	2,903,914
Goods and services transferred over time	2,500,571	2,688,745
Total revenue from contracts with customers	5,174,060	5,592,659
Geographical markets		
Kuwait	4,556,762	5,185,513
Qatar	427,897	288,501
Saudi	189,401	118,645
Total revenue from contracts with customers	5,174,060	5,592,659

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 September 2020

4 PROPERTY AND EQUIPMENT

	<i>Motor vehicles and equipment KD</i>	<i>Leasehold land KD</i>	<i>Leasehold land improvement KD</i>	<i>Prefabricated buildings KD</i>	<i>Furniture and fixtures KD</i>	<i>Tools And machinery KD</i>	<i>Capital work-in- progress KD</i>	<i>Total KD</i>
Cost or revaluation:								
At 1 January 2021 (<i>as previously stated</i>)	66,680,531	10,306,150	1,236,155	1,250,764	1,094,164	167,043	90,171	80,824,978
Impact of correction of errors (Note 12)	-	(731,150)	-	-	-	-	-	(731,150)
Restated balance as at 1 January 2020*	66,680,531	9,575,000	1,236,155	1,250,764	1,094,164	167,043	90,171	80,093,828
Additions	748,968	-	-	28,500	16,218	2,194	346,267	1,142,147
Disposals	(157,588)	-	-	-	-	-	-	(157,588)
Foreign currency translation adjustment	(37,189)	-	-	(73)	(121)	(13)	-	(37,396)
At 31 March 2021	67,234,722	9,575,000	1,236,155	1,279,191	1,110,261	169,224	436,438	81,040,991
Depreciation:								
At 1 January 2021 (<i>audited</i>)	40,391,302	-	716,397	1,021,394	936,294	137,838	-	43,203,225
Charge for the period	988,394	-	29,371	11,078	15,194	2,745	-	1,046,782
Disposals	(148,247)	-	-	-	-	-	-	(148,247)
Foreign currency translation adjustment	(19,425)	-	-	(51)	(98)	(9)	-	(19,583)
At 31 March 2021	41,212,024	-	745,768	1,032,421	951,390	140,574	-	44,082,177
Net book value:								
At 31 March 2021	26,022,698	9,575,000	490,387	246,770	158,871	28,650	436,438	36,958,814

Notwithstanding the contractual term of the leases, management considers that, the agreements of leasehold land are renewable indefinitely, at similar nominal rates of ground rent, and with no premium payable for renewal of the lease and, consequently, as is common practice in Kuwait, these leases have been accounted for as freehold land. The management does a revaluation of the leasehold land on cyclical basis at a regular interval of every three years.

For the year ended 31 December 2020, the fair valuation was conducted by two independent appraisers with a recognised and relevant professional qualification and recent experience of the location and category of leasehold land being valued. The change in fair value was calculated based on the lower of the two values. Fair value of the leasehold land is arrived at by reference to industry acknowledged methods of valuations that depend on market data including recent sales value of comparable properties. The fair value was determined based on sales comparison method and is measured under the Level 2 fair value hierarchy. The revaluation gain amounting to KD 150,000 as included in other comprehensive income and credited directly to equity as revaluation surplus. The significant assumption used in the determination of fair value was the market price (per sqm). A decrease of 5% in the estimated market price (per sqm) will reduce the value by KD 515,308.

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 March 2021

4 PROPERTY AND EQUIPMENT (continued)

	<i>Motor vehicles and equipment KD</i>	<i>Leasehold land KD</i>	<i>Leasehold land improvement KD</i>	<i>Prefabricated buildings KD</i>	<i>Furniture and fixtures KD</i>	<i>Tools and machinery KD</i>	<i>Capital work-in- progress KD</i>	<i>Total KD</i>
Cost or revaluation:								
At 1 January 2020	63,024,901	10,156,150	1,174,190	1,242,942	1,183,360	174,734	232,504	77,188,781
Impact of correction of errors (Note 12)	-	(731,150)	-	-	-	-	-	(731,150)
Restated balance as at 1 January 2020*	63,024,901	9,425,000	1,174,190	1,242,942	1,183,360	174,734	232,504	76,457,631
Additions	4,122,770	-	61,965	21,744	58,665	8,658	90,171	4,363,973
Revaluation	-	150,000	-	-	-	-	-	150,000
Disposals	(686,536)	-	-	-	-	-	-	(686,536)
Write off	(7,968)	-	-	(10,272)	(147,860)	(19,978)	-	(186,078)
Transfers	232,504	-	-	-	-	-	(232,504)	-
Foreign currency translation adjustment	(5,140)	-	-	(3,650)	(1)	3,629	-	(5,162)
At 31 December 2020	66,680,531	9,575,000	1,236,155	1,250,764	1,094,164	167,043	90,171	80,093,828
Depreciation:								
At 1 January 2020	37,218,520	-	600,271	994,884	1,026,225	140,496	-	39,980,396
Charge for the year	3,835,935	-	116,126	40,425	57,931	13,691	-	4,064,108
Disposals	(653,292)	-	-	-	-	-	-	(653,292)
Write off	(6,954)	-	-	(10,272)	(147,860)	(19,978)	-	(185,064)
Foreign currency translation adjustment	(2,907)	-	-	(3,643)	(2)	3,629	-	(2,923)
At 31 December 2020	40,391,302	-	716,397	1,021,394	936,294	137,838	-	43,203,225
Net book value:								
At 31 December 2020	26,289,229	9,575,000	519,758	229,370	157,870	29,205	90,171	36,890,603

Jassim Transport & Stevedoring Company K.S.C. (Closed) and its Subsidiaries

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL

INFORMATION (UNAUDITED)

31 March 2021

4 PROPERTY AND EQUIPMENT (continued)

The depreciation charge has been allocated in the interim condensed consolidated statement of income as follows:

	<i>Three months ended 31 March</i>	
	2021	2020
	KD	KD
Operating expenses	988,394	945,369
Administrative expenses	58,388	56,485
	1,046,782	1,001,854

*Certain amounts presented do not correspond to the consolidated financial statements as at 31 December 2020 and reflect adjustments made as detailed in note 12.

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows consist of the following:

	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited and Unreviewed)</i>
	31 March	31 December	31 March
	2021	2020	2020
	KD	KD	KD
Bank balances and cash	1,605,629	876,777	1,530,567
Fixed deposits	3,050,000	3,050,000	3,550,000
Cash and cash equivalents as per interim condensed consolidated statement of financial position	4,655,629	3,926,777	5,080,567
Fixed deposits with original maturities more than three months	-	(500,000)	-
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	4,655,629	3,426,777	5,080,567

Fixed deposits yield an average effective interest rate (EIR) ranging between 1.2% to 1.5% (31 December 2020: 1% to 3.5% and 31 March 2020: 2.5% to 3.5%) per annum.

Fixed deposits amounting to KD 50,000 (31 December 2020: KD 50,000 and 31 March 2020: KD 50,000) are held as collateral securities against other credit facilities granted to the Group (Note 8).

6 EQUITY

a) Share Capital

The Parent Company's authorised, issued and fully paid capital consists of 150,000,000 (31 December 2020: 150,000,000 and 31 March 2020: 150,000,000) shares of 100 fils (31 December 2020: 100 fils and 31 March 2020: 100 fils) each, which were fully paid in cash.

b) Dividends

The Board of Directors in their meeting held on 21 March 2021, proposed distribution of cash dividend of 20 fils per share in respect of the year ended 31 December 2020 (2019: cash dividend of 40 fils per share aggregating to KD 6,000,000), to be paid from utilizing retained earnings.

The Annual general Meeting (AGM) of the shareholders held on 31 March 2021 has approved the cash dividend of 20 fils for the year ended 31 December 2020 (2019: cash dividend of 40 fils per share aggregating to KD 6,000,000), to be paid from utilizing retained earnings.

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7 RELATED PARTY TRANSACTIONS

Related parties represent shareholders, key management personnel of the Parent Company 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.

Transactions with related parties are as follows:

		31 March 2021 KD	31 March 2020 KD
	Other affiliates KD	(Unaudited) KD	(Unaudited and Unreviewed) KD
Interim condensed consolidated statement of income:			
Revenue	110,522	110,522	49,651
Tickets charges	351	351	1,101
Other charges	25,940	25,940	13,748
Board remuneration	6,000	6,000	8,500
			(Unaudited and Unreviewed)
	Shareholders KD	(Unaudited) 31 March 2021 KD	(Audited) 31 December 2020 KD
Interim condensed consolidated statement of financial position:			
Amount due from a related party	<u>66,556</u>	<u>66,556</u>	<u>61,151</u>
			<u>45,676</u>
Other transactions			
Purchases of spares and consumables	<u>(5,529)</u>	<u>(5,529)</u>	<u>(185,881)</u>
			<u>(12,091)</u>

Compensation of key management personnel

Key management personnel comprise of the key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The remuneration to key management personnel during the period was as follows:

	Three months ended 31 March	
	(Unaudited and Unreviewed)	
	2021 KD	2020 KD
Salaries and other short-term benefits	78,728	79,103
Employees' end of service benefits	89,284	71,088
	<u>168,012</u>	<u>150,191</u>

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8 COMMITMENTS AND CONTINGENCIES

The Group has following commitments and contingent liabilities:

	<i>(Unaudited)</i> 31 March <i>2021</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2020</i> <i>KD</i>	<i>(Unaudited and</i> <i>Unreviewed)</i> <i>31 March</i> <i>2020</i> <i>KD</i>
Commitments			
Letters of credit	5,569,401	5,101,401	608,670
	<u> </u>	<u> </u>	<u> </u>
Contingencies			
Letters of guarantee	3,476,330	1,888,153	3,128,185
	<u> </u>	<u> </u>	<u> </u>

Certain fixed deposits are held as collateral security against letter of guarantee issued. (Note 5).

9 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The fair value of foreign quoted investment carried at fair value through other comprehensive income as at 31 March 2021 amounting to KD 204,197 (31 December 2020: KD 254,037 and 31 March 2020: 167,137) is categorised under level 1 of the fair value hierarchy.

For financial instruments quoted in an active market, fair value is determined by reference to quoted market prices. Bid prices are used for assets and offer prices are used for liabilities.

The fair values of financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than twelve months) it is assumed that the carrying amounts approximate to their fair value.

10 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary 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. There is no impact from dilutive instruments outstanding, basic and diluted EPS are identical.

	<i>Three months ended 31 March</i>	
	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>
Profit for the period (KD)	601,228	1,451,458
	<u> </u>	<u> </u>
Weighted average number of shares outstanding during the period	150,000,000	150,000,000
	<u> </u>	<u> </u>
Basic and diluted earnings per share (fils)	4	10
	<u> </u>	<u> </u>

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

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11 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the board of directors represented by the chief operating decision maker for the purpose of allocating resources and assessing performance. The chief operating decision maker organizes the entity based on different geographical areas, inside and outside Kuwait. The following table presents the geographical analysis of the Group's assets, liabilities, revenue, expenses, and profit for the period ended 31 March 2021 and 31 March 2020.

Geographical information

In presenting the geographic information, segment revenue, results and assets have been based on the geographic location from which income is derived and segment assets were based on the geographic location of the assets.

	<i>Three months ended 31 March</i>		
	<i>(Unaudited and Unreviewed)</i>		
	<i>2021</i>	<i>2020</i>	
	<i>KD</i>	<i>KD</i>	
Revenue			
Kuwait	4,556,762	5,185,513	
Rest of GCC	617,298	407,146	
	5,174,060	5,592,659	
Results –profit (loss) for the period			
Kuwait	673,683	1,511,999	
Rest of GCC	(72,455)	(60,541)	
	601,228	1,451,458	
	<i>(Unaudited)</i>	<i>Restated*</i>	<i>Restated</i>
	<i>31 March</i>	<i>(Audited)</i>	<i>(Unaudited and</i>
	<i>2021</i>	<i>31 December</i>	<i>Unreviewed)</i>
	<i>KD</i>	<i>2020</i>	<i>31 March</i>
		<i>KD</i>	<i>2020</i>
			<i>KD</i>
Segment assets			
Kuwait	40,744,509	40,538,464	43,156,833
Rest of GCC	10,115,038	10,098,670	10,057,481
	50,859,547	50,637,134	53,214,314
Segment liabilities			
Kuwait	8,745,617	6,142,760	6,023,160
Rest of GCC	1,131,316	1,062,591	611,250
	9,876,933	7,205,351	6,634,410

*Certain amounts presented do not correspond to the consolidated financial statements as at 31 December 2020 and reflect adjustments made as detailed in Note 12.

12 RETROSPECTIVE RESTATEMENT

In the year 2016, the Parent Company has erroneously accounted excess revaluation gain on leasehold land as at 31 December 2016 resulting in overstatement of leasehold land and revaluation reserve by KD 731,150. The error has been corrected by restating each of the affected interim condensed consolidated financial information line items for prior periods.

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12 RETROSPECTIVE RESTATEMENT (continued)

The following tables summarise the impacts on the Group's interim condensed consolidated financial information.

Consolidated statement of financial position:

<i>At 31 March 2020</i>	<i>As previously reported KD</i>	<i>Effect of restatement KD</i>	<i>After restatement KD</i>
Property and equipment	38,198,505	(731,150)	37,467,355
Revaluation surplus	9,425,000	(731,150)	8,693,850

<i>At 31 December 2020</i>	<i>As previously reported KD</i>	<i>Effect of restatement KD</i>	<i>After restatement KD</i>
Property and equipment	37,621,753	(731,150)	36,890,603
Revaluation surplus	9,575,000	(731,150)	8,843,850

There is no impact on the consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of cash flows for the period ended 31 March 2020.

13 IMPACT OF COVID-19

The COVID-19 outbreak was first reported near the end of 2019. At that time, a cluster of cases displaying the symptoms of a 'pneumonia of unknown cause' were identified in Wuhan, the capital of China's Hubei province. On 31 December 2019, China alerted the World Health Organisation (WHO) of this new virus. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a 'Public Health Emergency of International Concern'. Since then, the virus has spread worldwide. On 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic.

The currently known impact of COVID-19 on the Group are:

- ▶ Allowances for expected credit losses on trade receivables amounting to KD 81,204 charged during the period ended 31 March 2020.
- ▶ Equipment leasing revenue down by 17% period-over-period due to lower asset utilisation and lockdown measures imposed by the government to restrict the surge in cases of COVID-19.

The measures to slow the spread of COVID-19 have had a significant impact on the global economy. Governments worldwide imposed travel bans and strict quarantine measures. Businesses are dealing with lost revenue and disrupted supply chains. While the country has started to ease the lockdown, the relaxation has been gradual.

Entities should consider whether to disclose the measures they have taken, in line with the recommendations of the WHO and national health authorities, to preserve the health of their employees and support the prevention of contagion in their administrative and operational areas, such as working from home, reduced work shifts in operational areas to minimise the number of workers commuting, rigorous cleaning of workplaces, distribution of personal protective equipment, testing of suspected cases and measuring body temperature.

As a result, the Group considered the impact of COVID-19 in preparing its interim condensed consolidated financial information. While the specific areas of judgement may not change, the impact of COVID-19 resulted in the application of further judgement within those areas.

Given the evolving nature of COVID-19 and the limited recent experience of the economic and financial impacts of such a pandemic, changes to estimates may need to be made in the measurement of the Group's assets and liabilities may arise in the future.

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