

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated financial information (Unaudited)**  
**and review report**

For the three months period ended 31 March 2021

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Interim condensed consolidated financial information (Unaudited) and review report  
For the three months period ended 31 March 2021**

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<b>Contents</b>	<b>Page</b>
Review report on the interim condensed consolidated financial information	1
Interim condensed consolidated statement of profit or loss (Unaudited)	2
Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)	3
Interim condensed consolidated statement of financial position (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5-6
Interim condensed consolidated statement of cash flows (Unaudited)	7
Notes to the interim condensed consolidated financial information (Unaudited)	8-17



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**Review Report the on Interim Condensed Consolidated Financial Information**

**To the Board of Directors  
Privatization Holding Company – K.P.S.C.  
State of Kuwait**

***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Privatization Holding Company – K.P.S.C. ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2021, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

***Scope of review***

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

***Conclusion***

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

***Emphasis of matter***

We draw attention to Note No. (13) to the accompanying interim condensed consolidated financial information regarding a claim letter from National Bank of Kuwait as a creditor to initiate execution procedures on the funds of another party and the guarantors, that the Group is one of that party's guarantors. Our conclusion is not qualified with respect to this matter.

***Other matter***

The consolidated financial statements of Privatization Holding Company – K.P.S.C. for the year ended 31 December 2020 were audited by another auditor who expressed an unqualified opinion on such financial statements on 29 March 2021.

***Report on other legal and regulatory requirements***

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the three months period ended 31 March 2021, that might have had a material effect on business of the Group or its interim condensed consolidated financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority, its related regulations and the related instructions, as amended, during the three months period ended 31 March 2021, that might have had a material effect on the business of the Group or on its interim condensed consolidated financial position.

**Barrak Abdul Mohsen Al-Ateeqi**  
License No. 69 "A"  
Al-Ateeqi Certified Accountants  
A Member of B.K.R. International

Kuwait : 17 May 2021

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of profit or loss (Unaudited)**  
For the three months period ended 31 March 2021

	Note	Three months ended 31 March	
		2021 KD	2020 KD
<b>Revenue</b>			
Revenue from sales and services		1,816,882	1,355,531
Unrealized gain / (loss) from changes in fair value of financial assets at fair value through profit or loss		656,170	(1,993,122)
Realized gain from sale of financial assets at fair value through profit or loss		10,769	18,646
Dividend income		6,727	143,297
Gain on sale of investment in an associate	4	53,179	-
Group's share of results from associates	4	2,290,853	(1,574,006)
Interest income		1,506	749
Foreign exchange gain / (loss)		13,815	(82,334)
Other income		15,527	-
<b>Total revenue</b>		<b>4,865,428</b>	<b>(2,131,239)</b>
<b>Expenses and other charges</b>			
Cost of sales and services		(2,486,529)	(1,799,750)
General and administrative expenses		(454,420)	(512,624)
Portfolio management fees		(6,179)	(4,613)
Finance costs		(360,694)	(393,398)
<b>Total expenses and other charges</b>		<b>(3,307,822)</b>	<b>(2,710,385)</b>
<b>Profit / (loss) for the period before contribution to National Labour Support Tax (NLST) and Zakat</b>		<b>1,557,606</b>	<b>(4,841,624)</b>
NLST		(45,297)	-
Zakat		(12,052)	-
<b>Net profit / (loss) for the period</b>		<b>1,500,257</b>	<b>(4,841,624)</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		1,897,134	(4,590,214)
Non-controlling interests		(396,877)	(251,410)
<b>Net profit / (loss) for the period</b>		<b>1,500,257</b>	<b>(4,841,624)</b>
<b>Basic and diluted earnings / (loss) per share attributable to the shareholders of the Parent Company (Fils)</b>	3	<b>3.11</b>	<b>(7.52)</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)**  
**For the three months period ended 31 March 2021**

	Note	Three months ended 31 March	
		2021 KD	2020 KD
<b>Net profit / (loss) for the period</b>		<b>1,500,257</b>	<b>(4,841,624)</b>
<b>Other comprehensive income items:</b>			
<b><u>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</u></b>			
Exchange differences on translating of foreign operations		(29,998)	154,090
Group's share of other comprehensive gain / (loss) of associates	4	352,402	(46,682)
<b><u>Items that will not be reclassified subsequently to the interim condensed consolidated statement of profit or loss</u></b>			
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")		641,199	34,498
<b>Total other comprehensive income for the period</b>		<b>963,603</b>	<b>141,906</b>
<b>Total comprehensive income / (loss) for the period</b>		<b>2,463,860</b>	<b>(4,699,718)</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company		2,863,361	(4,446,037)
Non-controlling interests		(399,501)	(253,681)
<b>Total comprehensive income / (loss) for the period</b>		<b>2,463,860</b>	<b>(4,699,718)</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of financial position (Unaudited)**  
**As at 31 March 2021**

	Note	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
<b>Assets</b>				
<b>Non-current assets:</b>				
Property, plant and equipment		11,736,594	11,869,247	12,153,849
Intangible assets		339,772	409,482	651,265
Investment properties		116,190	116,190	108,158
Investment in associates	4	51,515,935	51,037,053	52,225,485
Financial assets at fair value through other comprehensive income	5	7,994,458	7,344,397	9,588,465
Accounts receivable and other debit balances	6	5,682,418	4,883,387	4,392,478
<b>Total non-current assets</b>		<b>77,385,367</b>	<b>75,659,756</b>	<b>79,119,700</b>
<b>Current assets:</b>				
Inventories		1,671,062	1,473,453	1,698,313
Accounts receivable and other debit balances	6	20,371,752	19,212,505	16,426,342
Financial assets at fair value through profit or loss	7	26,220,253	25,580,226	22,170,436
Cash and cash equivalents	8	1,480,136	1,493,086	1,773,824
<b>Total current assets</b>		<b>49,743,203</b>	<b>47,759,270</b>	<b>42,068,915</b>
<b>Total assets</b>		<b>127,128,570</b>	<b>123,419,026</b>	<b>121,188,615</b>
<b>Equity and liabilities</b>				
<b>Equity:</b>				
Capital		61,000,000	61,000,000	61,000,000
Share premium		24,761,544	24,761,544	24,761,544
Statutory reserve		1,590,532	1,590,532	1,590,532
General reserve		3,200,595	3,200,595	3,200,595
Fair value reserve of financial assets at FVOCI		(3,719,413)	(4,621,988)	(3,323,787)
Foreign currency translation reserve		483,332	582,696	928,387
Other reserves		(2,181,293)	(2,327,828)	(1,369,494)
Accumulated losses		(5,743,840)	(7,640,974)	(8,478,771)
<b>Equity attributable to shareholders of the Parent Company</b>		<b>79,391,457</b>	<b>76,544,577</b>	<b>78,309,006</b>
Non-controlling interests		133,390	532,897	724,898
<b>Total equity</b>		<b>79,524,847</b>	<b>77,077,474</b>	<b>79,033,904</b>
<b>Liabilities:</b>				
<b>Non-current liabilities:</b>				
Employees' end of service benefits		1,336,233	1,306,429	1,240,863
Term loans	9	8,464,217	8,479,551	-
Accounts payable and other credit balances	10	3,128,643	3,143,263	4,121,077
<b>Total non-current liabilities</b>		<b>12,929,093</b>	<b>12,929,243</b>	<b>5,361,940</b>
<b>Current liabilities:</b>				
Term loans	9	21,092,959	20,489,163	27,858,235
Bank overdraft		1,686,413	867,454	287,142
Accounts payable and other credit balances	10	11,895,258	12,055,692	8,647,394
<b>Total current liabilities</b>		<b>34,674,630</b>	<b>33,412,309</b>	<b>36,792,771</b>
<b>Total liabilities</b>		<b>47,603,723</b>	<b>46,341,552</b>	<b>42,154,711</b>
<b>Total equity and liabilities</b>		<b>127,128,570</b>	<b>123,419,026</b>	<b>121,188,615</b>

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

  
**Reyadh S. A. Edrees**  
Chairman

  
**Mohammed A. Al-Asfer**  
Vice Chairman

**Interim condensed consolidated statement of changes in equity (Unaudited)**  
For the three months period ended 31 March 2021

5



**Interim condensed consolidated statement of changes in equity (Unaudited)**  
For the three months period ended 31 March 2021

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.



**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of cash flows (Unaudited)**  
For the three months period ended 31 March 2021

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>		
Net profit / (loss) for the period	1,500,257	(4,841,624)
<i>Adjustments for:</i>		
Unrealized (gain) / loss from changes in fair value on financial assets at fair value through profit or loss	(656,170)	1,993,122
Realized gain from sale of financial assets at fair value through profit or loss	(10,769)	(18,646)
Dividend income	(6,727)	(143,297)
Gain on sale of investment in an associate	(53,179)	-
Group's share of results from associates	(2,290,853)	1,574,006
Foreign exchange (gain) / loss	(13,815)	82,334
Interest income	(1,506)	(749)
Depreciation	117,350	107,671
Amortization	69,710	105,523
Finance costs	360,694	393,398
Provision for employees' end of service benefits	32,054	89,065
	(952,954)	(659,197)
<b>Change in operating assets and liabilities:</b>		
Inventories	(197,609)	175,876
Financial assets at fair value through profit or loss	26,912	442,807
Accounts receivable and other debit balances	(257,213)	917,762
Accounts payable and other credit balances	(331,303)	(454,349)
<b>Cash flows (used in) / from operating activities</b>	(1,712,167)	422,899
Employees' end of service benefits paid	(2,250)	(24,017)
<b>Net cash flows (used in) / from operating activities</b>	(1,714,417)	398,882
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(13,740)	(275,220)
Proceeds from sale of investment in an associate	500,000	-
Interest income received	1,506	749
Dividend income received	6,727	143,297
<b>Net cash flows from / (used in) investing activities</b>	494,493	(131,174)
<b>FINANCING ACTIVITIES</b>		
Proceeds from term loans	1,538,339	1,233,221
Repayment of term loans	(933,488)	(1,234,087)
Bank overdraft	818,959	(123,476)
Finance costs paid	(204,445)	(453,495)
<b>Net cash flows from / (used in) financing activities</b>	1,219,365	(577,837)
Net decrease in cash and cash equivalents	(559)	(310,129)
Foreign currency translation adjustment	(12,391)	(28,511)
Cash and cash equivalents at the beginning of the period	1,493,086	2,112,464
<b>Cash and cash equivalents at the end of the period</b>	1,480,136	1,773,824

The accompanying notes on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
**For the three months period ended 31 March 2021**

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**1. Incorporation and activities**

Privatization Holding Company - K.P.S.C. (the "Parent Company") is a Kuwaiti public shareholding Company registered on 10 October 1994 and is listed on Boursa Kuwait.

The Parent Company is licensed to:

- Invest in Kuwaiti and foreign shareholding companies and limited liability Companies and to participate in the establishment and management of such entities,
- Lend to such entities and act as their guarantor,
- Utilization of excess funds in investment in financial portfolios or real estate portfolios through specialised parties inside or outside Kuwait,
- Invest in real estate, hold patents and copy rights, and advance loans to associates,
- Represent foreign consulting firms in local market.

The Parent Company's registered office is located in Sharq, Ahmad Al-Jaber Street, Dar Al-Awadi Tower, 23rd Floor, and P.O. Box 4323, Safat 13104, Kuwait.

The interim condensed consolidated financial information of the Group were authorised for issuance by the Board of Directors of the Parent Company on 17 May 2021.

**2. Basis of preparation**

The interim consolidated condensed financial information has been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting". This interim condensed consolidated financial information does not include all the information and disclosures required for preparation of complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs"). In the opinion of Group's management, all adjustments consisting of (normal recurring accruals) considered necessary for fair presentation have been included.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Group.

Operating results for the three months period ended 31 March 2021 is not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further information, refer to the annual consolidated audited financial statements of the Group for the year ended 31 December 2020.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the financial statements for the year ended 31 December 2020.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but not yet effective. Several other amendments and interpretations apply for the first time in 2021, but they do not have any material effect on the Group's interim condensed financial information.

**3. Basic and diluted earnings / (loss) per share attributable to the shareholders of the Parent Company**

There are no potential dilutive ordinary shares. Basic and diluted earnings / (loss) per share attributable to the shareholders of the Parent Company are computed by dividing net profit / (loss) for the period attributable for the shareholders of the Parent Company by the weighted average number of shares outstanding during the period as follow:

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)  
For the three months period ended 31 March 2021**

**3. Basic and diluted earnings / (loss) per share attributable to the shareholders of the Parent Company (Continued)**

	Three months ended 31 March	
	2021	2020
Net profit / (loss) for the period attributable to the shareholders of the Parent Company (KD)	<u>1,897,134</u>	<u>(4,590,214)</u>
Weighted average number of outstanding shares (shares)	<u>610,000,000</u>	<u>610,000,000</u>
Basic and diluted earnings / (loss) per share attributable to shareholders of the Parent Company (fils)	<u>3.11</u>	<u>(7.52)</u>

**4. Investment in associates**

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Balance at the beginning of the period / year	51,037,053	54,284,485	54,284,485
Additions	-	338,268	-
Disposals (a)	(2,147,886)	-	-
Cash dividends received from associates	-	(566,114)	-
Group's share of results from associates	2,290,853	(2,034,981)	(1,574,006)
Group's share of other comprehensive gain / (loss) from associates' cumulative changes in fair value	258,766	381,103	(275,099)
Group's share of other comprehensive (loss) / gain from associates' foreign currency translation adjustment	(69,380)	32,905	228,417
Group's share of other comprehensive gain / (loss) from associates' other reserves	163,016	(1,440,045)	-
Other reserves	(16,487)	41,432	(438,312)
Balance at end of the period / year	<u>51,515,935</u>	<u>51,037,053</u>	<u>52,225,485</u>

- a) During the period ended 31 March 2021, the Group sold its investment in an associate (Eastern United Petroleum Services Company – KSC (Closed) (“EUPS”)) for an amount of KD 2,201,065, resulting in a gain of KD 53,179 that was recorded in the interim condensed consolidated statement of profit or loss. The Group collected an amount of KD 500,000 and the remaining balance of KD 1,701,065 will be collected during the year 2021 (Note 6) once the Group completes the process of transferring the ownership.

Investment in associates amounting to KD 39,592,700 (31 December 2020: KD 36,837,863, 31 March 2020: KD 35,526,704) are secured against certain term loans (Note 9).

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the three months period ended 31 March 2021

**5. Financial assets at fair value through other comprehensive income**

	31 March 2021	(Audited) 31 December 2020	31 March 2020
	KD	KD	KD
Quoted securities	346,682	341,596	262,418
Unquoted securities	5,104,409	4,352,926	5,854,803
Funds and portfolios	2,543,367	2,649,875	3,471,244
	<u>7,994,458</u>	<u>7,344,397</u>	<u>9,588,465</u>

Financial assets at fair value through other comprehensive income amounting to KD 2,849,263 (31 December 2020: KD 2,942,272, 31 March 2020: KD 285,686) are secured against certain term loans (Note 9).

Valuation techniques of financial assets at fair value through other comprehensive income ("FVOCI") are disclosed in (Note 15).

**6. Accounts receivable and other debit balances**

	31 March 2021	(Audited) 31 December 2020	31 March 2020
	KD	KD	KD
Trade receivables	10,561,138	10,729,225	8,762,868
Due from related parties (Note 12)	6,769,293	6,269,256	5,367,471
Interest receivable	3,000,000	3,000,000	3,000,000
Receivables from sale of investment in an associate (a) (Note 4)	1,701,065	-	-
Prepaid expenses and accrued income	120,519	115,508	104,854
Advances to project under progress	5,340,359	5,338,661	5,246,744
Advances to supplier	553,931	608,175	524,043
Other debit balances	1,159,949	1,187,151	1,592,570
	<u>29,206,254</u>	<u>27,247,976</u>	<u>24,598,550</u>
Provision for expected credit losses	<u>(3,152,084)</u>	<u>(3,152,084)</u>	<u>(3,779,730)</u>
	<u>26,054,170</u>	<u>24,095,892</u>	<u>20,818,820</u>

a) Subsequent to the reporting date, the Group collected an amount of KD 500,000 from the outstanding balance.

Accounts receivable and other debit balances are represented in the following:

	31 March 2021	(Audited) 31 December 2020	31 March 2020
	KD	KD	KD
Non-current portion	5,682,418	4,883,387	4,392,478
Current portion	20,371,752	19,212,505	16,426,342
	<u>26,054,170</u>	<u>24,095,892</u>	<u>20,818,820</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the three months period ended 31 March 2021

**7. Financial assets at fair value through profit or loss**

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Quoted securities	10,400,619	9,649,359	7,528,637
Unquoted security	15,159,603	15,179,738	13,696,705
Mutual funds	660,031	751,129	945,094
	<u>26,220,253</u>	<u>25,580,226</u>	<u>22,170,436</u>

Financial assets at fair value through profit or loss amounting to KD 19,956,529 (31 December 2020: KD 19,247,218, 31 March 2020: KD 17,878,733) are pledged against certain term loans (Note 9).

Valuation techniques of financial assets at fair value through profit or loss are disclosed in (Note 15).

**8. Cash and cash equivalents**

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Cash on hand and at banks	1,393,696	1,426,753	1,465,943
Cash at portfolios	18,809	20,166	77,953
Short term bank deposits	499	500	507
Restricted cash*	67,132	45,667	229,421
	<u>1,480,136</u>	<u>1,493,086</u>	<u>1,773,824</u>

\*This balance represents cash restricted against bank facilities.

**9. Term loans**

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Term loans obtained from local financial institutions and a related party and carrying interest rate range from 2% to 4% per annum over the Central Bank of Kuwait discount rate	24,362,764	23,972,921	23,699,029
Term loans obtained from a foreign financial institutions and carry interest rate range from 8.5% to 9.75% per annum	5,194,412	4,995,793	4,159,206
	<u>29,557,176</u>	<u>28,968,714</u>	<u>27,858,235</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2021

**9. Term loans (Continued)**

Certain investment in subsidiaries, investment in associates, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are secured against term loans (Note 4, 5 and 7).

Term loans are represented in the following:

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Non-current portion	8,464,217	8,479,551	-
Current portion	21,092,959	20,489,163	27,858,235
	<u>29,557,176</u>	<u>28,968,714</u>	<u>27,858,235</u>

**10. Accounts payable and other credit balances**

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Trade payable	2,579,041	2,234,140	1,210,121
Due to related parties (Note 12)	3,022,023	3,032,515	2,541,028
Fixed assets payable	4,039,305	5,063,026	5,151,347
Accrued expenses and other liabilities	5,383,532	4,869,274	3,865,975
	<u>15,023,901</u>	<u>15,198,955</u>	<u>12,768,471</u>

Accounts payable and other credit balances are represented in the following:

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
Non-current portion	3,128,643	3,143,263	4,121,077
Current portion	11,895,258	12,055,692	8,647,394
	<u>15,023,901</u>	<u>15,198,955</u>	<u>12,768,471</u>

**11. Annual General Assembly of the Shareholder of the Parent Company**

The Shareholders' Annual General Assembly meeting of the Parent Company held on 10 May 2021 has approved the consolidated financial statements for the year ended 31 December 2020, and approved not to distribute cash dividends and Board of Directors' remuneration for the year ended 31 December 2020.

The Shareholders' Annual General Assembly meeting of the Parent Company held on 21 June 2020 has approved the consolidated financial statements for the year ended 31 December 2019, and approved not to distribute cash dividends and Board of Directors' remuneration for the year ended 31 December 2019.



**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the three months period ended 31 March 2021

**12. Related party transactions and balances**

Related parties represent 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 to be approved by the Group's management.

Balances and transactions with related parties included in the interim condensed consolidated financial information are as follows:

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
<b><u>Balances included in interim condensed consolidated statement of financial position</u></b>			
Financial assets at FVOCI	4,008,342	3,256,778	4,493,728
Due from related parties (Note 6)	6,769,293	6,269,256	5,367,471
Financial assets at fair value through profit or loss	6,391,996	6,439,739	3,734,243
Cash with portfolios managers	6,318	6,207	3,936
Term loans	500,000	-	-
Due to related parties (Note 10)	3,022,023	3,032,515	2,541,028

Amount due from / to related parties are interest free and are receivable / payable on demand.

	Three months ended 31 March 2021 KD	2020 KD
<b><u>Transactions included in interim condensed consolidated statement of profit or loss</u></b>		
<b><u>Compensation of key management personnel</u></b>		
Short term benefits	100,187	110,251
End of service benefits	13,583	50,156

**13. Capital commitments and contingencies**

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
<b>Capital commitments</b>			
Other commitments	562,010	847,024	796,731

**Contingencies**

At the reporting date, the Group has provided performance bank guarantees to a customer and suppliers amounting to KD 3,524,388 (31 December 2020: KD 3,617,931, 31 March 2020: KD 3,745,224) and to Public Authority for housing Welfare KD 3,120,180 (31 December 2020: KD 3,120,180, 31 March 2020: KD NIL) from which it is anticipated that no material liabilities will arise.



**Notes to the interim condensed consolidated financial information (Unaudited)**  
For the three months period ended 31 March 2021

**13. Capital commitments and contingencies (Continued)**

**Contingencies (Continued)**

The Parent Company and Al Khair National for Stocks and Real Estate Company have provided a guarantee to National Bank of Kuwait against a loan of KD 31,679,580 (31 December 2020: KD 31,679,580, 31 March 2020: KD 35,358,476) assigned to a third party during 2012. This loan was rescheduled during 2013 and the principal (excluding interest) is repayable in eleven annual installments commencing 15 June 2016. Subsequent to the interim condensed consolidated financial information date, a letter was received from National Bank of Kuwait stating that the third party had breached its obligations and the debit balance amounted to KD 26,297,015 (excluding interest), National Bank of Kuwait (NBK), as a creditor, was required to initiate execution procedures on the other party's funds and the guarantors. The Group's management believes that it will take the necessary legal action regarding this claim to ensure the protection of all its rights. At the moment, financial impact could not be determined.

**14. Segmental information**

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments. The Group does not have any inter-segment transactions.

The following table presents segment income and results information regarding the Group's business segments:

	<b>Investment KD</b>	<b>Others KD</b>	<b>Total KD</b>
<b>Three months ended 31 March 2021</b>			
Segment revenue	<u>3,043,832</u>	<u>1,821,596</u>	<u>4,865,428</u>
Segment profit / (loss) before finance costs, foreign exchange gain	<u>2,753,476</u>	<u>(848,991)</u>	<u>1,904,485</u>
Finance costs net of foreign exchange gain	<u>(202,842)</u>	<u>(144,037)</u>	<u>(346,879)</u>
Profit / (loss) before taxation	<u>2,550,634</u>	<u>(993,028)</u>	<u>1,557,606</u>
Segment assets	<u>88,235,734</u>	<u>38,892,836</u>	<u>127,128,570</u>
Segment liabilities (excluding term loans)	<u>(4,983,210)</u>	<u>(13,063,337)</u>	<u>(18,046,547)</u>
Segment net assets before term loans	<u>83,252,524</u>	<u>25,829,499</u>	<u>109,082,023</u>
Term loans	<u>(20,590,215)</u>	<u>(8,966,961)</u>	<u>(29,557,176)</u>
Net assets	<u>62,662,309</u>	<u>16,862,538</u>	<u>79,524,847</u>
	<b>Investment KD</b>	<b>Others KD</b>	<b>Total KD</b>
<b>Three months ended 31 March 2020</b>			
Segment revenue	<u>(3,495,762)</u>	<u>1,364,523</u>	<u>(2,131,239)</u>
Segment loss before finance costs, foreign exchange loss	<u>(3,749,600)</u>	<u>(616,292)</u>	<u>(4,365,892)</u>
Finance costs plus foreign exchange loss	<u>(343,782)</u>	<u>(131,950)</u>	<u>(475,732)</u>
Loss before taxation	<u>(4,093,382)</u>	<u>(748,242)</u>	<u>(4,841,624)</u>
Segment assets	<u>85,332,945</u>	<u>35,855,670</u>	<u>121,188,615</u>
Segment liabilities (excluding term loans)	<u>(3,975,132)</u>	<u>(10,321,344)</u>	<u>(14,296,476)</u>
Segment net assets before term loans	<u>81,357,813</u>	<u>25,534,326</u>	<u>106,892,139</u>
Term loans	<u>(20,208,813)</u>	<u>(7,649,422)</u>	<u>(27,858,235)</u>
Net assets	<u>61,149,000</u>	<u>17,884,904</u>	<u>79,033,904</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2021

**15. Fair value measurement**

**15.1 Fair value hierarchy**

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

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**15.2 Fair value measurement of financial instruments**

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	31 March 2021 KD	(Audited) 31 December 2020 KD	31 March 2020 KD
<b>Financial assets:</b>			
<i>Financial assets at fair value through other comprehensive income:</i>			
Financial assets at fair value through other comprehensive income	7,994,458	7,344,397	9,588,465
<i>Financial assets at amortised cost:</i>			
Accounts receivable and other debit balances (excluding prepayments and advances)	20,039,361	18,033,548	14,943,179
Cash and cash equivalents	1,480,136	1,493,086	1,773,824
<i>Financial assets at fair value through profit or loss:</i>			
Financial assets at fair value through profit or loss	26,220,253	25,580,226	22,170,436
	<u>55,734,208</u>	<u>52,451,257</u>	<u>48,475,904</u>
<b>Financial liabilities:</b>			
<i>Financial liabilities at amortised cost:</i>			
Term loans	29,557,176	28,968,714	27,858,235
Accounts payable and other credit balances (excluding advances)	15,017,202	15,176,637	12,719,118
Bank overdraft	1,686,413	867,454	287,142
	<u>46,260,791</u>	<u>45,012,805</u>	<u>40,864,495</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries**  
**State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2021

**15. Fair value measurement (Continued)**

**15.2 Fair value measurement of financial instruments (Continued)**

Management considers that the carrying amounts of financial assets and all financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

<b>31 March 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Quoted securities	346,682	-	-	346,682
Funds and portfolio	-	2,543,367	-	2,543,367
Unquoted securities	-	-	5,104,409	5,104,409
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	10,400,619	-	-	10,400,619
Mutual funds	-	660,031	-	660,031
Unquoted securities	-	3,992,487	11,167,116	15,159,603
	<u>10,747,301</u>	<u>7,195,885</u>	<u>16,271,525</u>	<u>34,214,711</u>
<b>31 December 2020 (Audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Financial assets at fair value through other comprehensive income:</b>				
Quoted securities	341,596	-	-	341,596
Funds and portfolio	-	2,649,875	-	2,649,875
Unquoted securities	-	-	4,352,926	4,352,926
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	9,649,359	-	-	9,649,359
Mutual funds	-	751,129	-	751,129
Unquoted securities	-	4,000,388	11,179,350	15,179,738
	<u>9,990,955</u>	<u>7,401,392</u>	<u>15,532,276</u>	<u>32,924,623</u>

**Privatization Holding Company – K.P.S.C. and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (Unaudited)**

For the three months period ended 31 March 2021

**15. Fair value measurement (Continued)**

**15.2 Fair value measurement of financial instruments (Continued)**

31 March 2020	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
<b>Financial assets at fair value through other comprehensive income:</b>				
Quoted securities	262,418	-	-	262,418
Funds and portfolio	-	3,471,244	-	3,471,244
Unquoted securities	-	-	5,854,803	5,854,803
<b>Financial assets at fair value through profit or loss:</b>				
Quoted securities	7,528,637	-	-	7,528,637
Mutual funds	-	945,094	-	945,094
Unquoted securities	-	1,947,015	11,749,690	13,696,705
	<u>7,791,055</u>	<u>6,363,353</u>	<u>17,604,493</u>	<u>31,758,901</u>

During the period / year, there were no transfers between levels 1, 2 and 3.

**16. The economic situation due to Coronavirus**

Due to the current significant events arising from the spread of Coronavirus ("COVID-19") in early 2020, which affected the global economic environment, local and international financial markets. These conditions are considered significant as they affected the economic and risk environment in which the Group operates. The Group is constantly monitoring the impact on it and how to manage the risks resulting from the outbreak of Coronavirus (COVID-19).

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

**17. Comparative figures**

Certain of the comparative figures of the period ended 31 March 2020 have been reclassified to conform to the amounts of current period presentation. Such reclassification did not result in any impact on net loss or equity for the previous period.