

**SECURITIES GROUP COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
(UNAUDITED)**

**WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

SECURITIES GROUP COMPANY K.S.C. (CLOSED)
AND SUBSIDIARIES (THE GROUP)
STATE OF KUWAIT

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(UNAUDITED)
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Securities Group Company K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Securities Group Company K.S.C. (Closed) ("the Parent Company") and its subsidiaries (collectively, "the Group") as at September 30, 2022 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 six months period then ended. 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 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 International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim condensed 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.

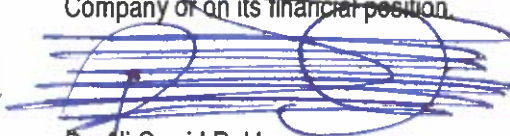
Conclusion


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".

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, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its Executive Regulations, as amended, and by the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended September 30, 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations during the six months period ended September 30, 2022, that might have had a material effect on the business of the Parent Company or on its financial position.


Dr. Ali Owaid Rukheyas
Licence No. 72-A
Member of Nexia International – (England)
AL Waha Auditing Office


Dr. Shuaib A. Shuaib
Licence No. 33-A
RSM Albazie & Co.

State of Kuwait
October 26, 2022

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT SEPTEMBER 30, 2022
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2022	(Audited) March 31, 2022	September 30, 2021
ASSETS				
Cash on hand and at banks		11,623,778	14,175,150	13,048,739
Financial assets at fair value through profit or loss("FVTPL")		-	-	5,695,500
Accounts receivable and other debit balances		1,984,036	1,443,777	895,924
Financial assets at fair value through other comprehensive income ("FVOCI")	3	40,596,121	44,730,502	30,529,556
Investment in associates		9,602,529	9,893,694	10,075,122
Debt instruments at amortized cost	4	14,063,644	14,042,904	10,024,503
Investment properties		15,214,223	15,522,960	21,974,974
Total assets		93,084,331	99,808,987	92,244,318
LIABILITIES AND EQUITY				
Liabilities:				
Loan	5,9	24,964,858	28,615,257	27,195,692
Loan from a related party	9	13,500,000	14,000,000	11,000,000
Accounts payable and other credit balances		2,245,913	2,273,929	2,286,368
Total liabilities		40,710,771	44,889,186	40,482,060
Equity:				
Capital		20,000,000	20,000,000	20,000,000
Share premium		3,046,592	3,046,592	3,046,592
Treasury shares reserve		3,052	3,052	3,052
Statutory reserve		12,769,186	12,769,186	12,769,186
Voluntary reserve		4,405,892	4,405,892	4,405,892
Other reserves		324,457	324,416	328,496
Foreign currency translation adjustments		1,225,052	893,431	812,905
Fair value reserve		(252,434)	4,928,364	2,503,015
Retained earnings		10,785,927	8,483,375	7,827,768
Equity attributable to the shareholders of the Parent Company		52,307,724	54,854,308	51,696,906
Non-controlling interests		65,836	65,493	65,352
Total equity		52,373,560	54,919,801	51,762,258
Total liabilities and equity		93,084,331	99,808,987	92,244,318

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

Khaled S. Al - Ali
Chairman


Ali Y. Al - Awadi
Vice Chairman and CEO

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Six months ended September 30,	
		2022	2021	2022	2021
Revenues:					
Net investment income	6	375,639	254,426	1,868,924	1,117,375
Fees and commission income		507,177	559,658	1,001,954	1,007,153
Interest income		150,386	97,699	285,447	235,399
Net rental income		187,916	134,452	372,939	262,466
Group's share of results from associates		26,523	(39,001)	99,737	(55,797)
Gain on sale of investment properties		-	-	724,406	-
Other income		-	-	10,252	-
		<u>1,247,641</u>	<u>1,007,234</u>	<u>4,363,659</u>	<u>2,566,596</u>
Expenses and other charges:					
General and administrative expenses		(331,277)	(398,406)	(922,605)	(847,928)
Marketing expenses		(10,394)	-	(24,882)	-
Finance charges	9	(173,810)	(113,743)	(335,484)	(231,086)
Net allowance for ECL (charged) no longer required		(4,460)	(37,639)	3,688	58,004
Foreign exchange loss		(1,482)	(12,731)	(3,018)	(11,626)
		<u>(521,423)</u>	<u>(562,519)</u>	<u>(1,282,301)</u>	<u>(1,032,636)</u>
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and Zakat		726,218	444,715	3,081,358	1,533,960
Contribution to KFAS		(8,036)	(3,213)	(32,661)	(14,518)
Zakat		(3,405)	(2,244)	(14,056)	(11,333)
Profit for the period		<u>714,777</u>	<u>439,258</u>	<u>3,034,641</u>	<u>1,508,109</u>
Attributable to:					
Shareholders of the Parent Company		714,543	439,047	3,034,298	1,507,691
Non-controlling interests		234	211	343	418
Profit for the period		<u>714,777</u>	<u>439,258</u>	<u>3,034,641</u>	<u>1,508,109</u>
		<u>Fils</u>	<u>Fils</u>	<u>Fils</u>	<u>Fils</u>
Basic and diluted earnings per share attributable to shareholders of the Parent Company	7	<u>3.57</u>	<u>2.20</u>	<u>15.17</u>	<u>7.54</u>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
 (All amounts are in Kuwaiti Dinars)

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Profit for the period	<u>714,777</u>	<u>439,258</u>	<u>3,034,641</u>	<u>1,508,109</u>
Other comprehensive (loss) income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translating foreign operations	194,701	27,554	331,621	(39,302)
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Changes in fair value of financial assets at FVOCI	<u>(2,484,528)</u>	<u>(541,981)</u>	<u>(5,180,798)</u>	<u>141,155</u>
Other comprehensive (loss) income for the period	<u>(2,289,827)</u>	<u>(514,427)</u>	<u>(4,849,177)</u>	<u>101,853</u>
Total comprehensive (loss) income for the period	<u>(1,575,050)</u>	<u>(75,169)</u>	<u>(1,814,536)</u>	<u>1,609,962</u>
Attributable to:				
Shareholders of the Parent Company	(1,575,284)	(75,380)	(1,814,879)	1,609,544
Non-controlling interests	234	211	343	418
Total comprehensive (loss) income for the period	<u>(1,575,050)</u>	<u>(75,169)</u>	<u>(1,814,536)</u>	<u>1,609,962</u>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
(All amounts are in Kuwaiti Dinars)

	Equity attributable to the Shareholders of the Parent Company											
	Capital	Share premium	Treasury shares reserve	Statutory Reserve	Voluntary reserve	Other reserves	Foreign currency translation adjustments	Fair value reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance as at March 31, 2022 (Audited)	20,000,000	3,046,592	3,052	12,769,186	4,405,892	324,416	893,431	4,928,364	8,483,375	54,854,308	65,493	54,919,801
Effect of ownership change in an associate	-	-	-	-	-	41	-	-	-	41	-	41
Transfer of gain on disposal of financial assets at FVOCI to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	-	331,621	(5,180,798)	668,254	(1,814,879)	343	668,254
Cash dividends (Note 11)	-	-	-	-	-	-	-	-	(1,400,000)	(1,400,000)	-	(1,814,536)
Balance as at September 30, 2022	20,000,000	3,046,592	3,052	12,769,186	4,405,892	324,457	1,225,052	(252,434)	10,785,927	52,307,724	65,836	52,373,560
Balance as at March 31, 2021 (Audited)	20,000,000	3,046,592	3,052	12,769,186	4,405,892	328,754	852,207	2,361,860	7,311,742	51,079,285	64,934	51,144,219
Effect of ownership change in an associate	-	-	-	-	-	(258)	-	-	-	(258)	-	(258)
Transfer of gain on disposal of financial assets at FVOCI to retained earnings	-	-	-	-	-	-	-	-	8,335	8,335	-	8,335
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(39,302)	141,155	1,507,691	1,609,544	418	1,609,962
Cash dividends (Note 11)	-	-	-	-	-	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Balance as at September 30, 2021	20,000,000	3,046,592	3,052	12,769,186	4,405,892	328,496	812,905	2,503,015	7,827,768	51,696,906	65,352	51,762,258

The accompanying notes (1) to (12) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

(All amounts are in Kuwaiti Dinars)

	Six months ended September 30,	
	2022	2021
Cash flow from operating activities:		
Profit for the period before contribution to KFAS and Zakat	3,081,358	1,533,960
Adjustments for:		
Net investment income	(1,868,924)	(1,117,375)
Interest income	(285,447)	(235,399)
Group's share of results from associates	(99,737)	55,797
Gain from sale of investment properties	(724,406)	-
Foreign exchange loss	3,018	11,626
Finance charges	335,484	231,086
Net allowance for ECL no longer required	(3,688)	(58,004)
	<u>437,658</u>	<u>421,691</u>
Changes in operating assets and liabilities:		
Financial assets at FVTPL	(3,680,806)	(4,432,275)
Accounts receivable and other debit balances	(376,527)	(47,469)
Accounts payable and other credit balances	(98,527)	(487,689)
Net cash flows used in operating activities	<u>(3,718,202)</u>	<u>(4,545,742)</u>
Cash flow from investing activities:		
Paid for purchase of financial assets at FVOCI	(4,491,165)	(1,404,608)
Proceeds from sale of financial assets at FVOCI	8,149,502	555,138
Proceeds from capital reduction of investment in an associate	39,187	77,178
Cash dividends received from investment in an associate	279,088	51,088
Proceeds from redemption of debt instruments at amortized cost	-	4,000,000
Proceeds from sale of investment properties	1,264,918	-
Interest income received	274,159	221,145
Dividends income received	1,513,230	277,879
Net cash flows generated from investing activities	<u>7,028,919</u>	<u>3,777,820</u>
Cash flows from financing activities:		
Loan	(3,650,399)	(319,170)
Loan from a related party	(500,000)	2,100,000
Cash dividends paid	(1,418,906)	(954,514)
Capital reduction	(6,477)	(22,456)
Finance charges paid	(286,307)	(262,254)
Net cash flows (used in) generated from financing activities	<u>(5,862,089)</u>	<u>541,606</u>
Net decrease in cash on hand and at banks	<u>(2,551,372)</u>	<u>(226,316)</u>
Cash on hand and at banks at the beginning of the period	<u>14,175,150</u>	<u>13,275,055</u>
Cash on hand and at banks at the end of the period	<u>11,623,778</u>	<u>13,048,739</u>

The accompanying notes from (1) to (12) form an integral part of the interim condensed consolidated financial information.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2022

(All amounts are in Kuwaiti Dinars)

1. Incorporation and principal activities

Securities Group Company K.S.C. (Closed) (the Parent Company) is a Kuwaiti Closed Shareholding Company incorporated by agreement no. 786 / Vol. 2 dated October 24, 1981 and the latest amendment on August 4, 2022. The Parent Company's commercial registration number is 31846. The Parent Company's registered office is P.O. Box 26953, Safat 13130, State of Kuwait.

The activities of the Parent Company are:

- Obtaining loans from financial market in accordance with the procedures and methods recognized for companies.
- Buying and selling securities listed in the Boursa Kuwait and the securities that are traded in the State of Kuwait and in the Gulf Cooperation Council countries.
- Investment consultants
- The Company may carry out some or all of its business outside Kuwait in accordance with the conditions and rules known in this regard.
- Investment in real estate inside and outside the State of Kuwait.
- Investment portfolio manager

The Shareholders' Extraordinary General Assembly held on June 28, 2022 approved the Board of Directors' proposal to cancel the financing activity license granted to the Parent Company by Central Bank of Kuwait and amending the article No. (4) of the Parent Company's Articles of Association and article No. (5) of the Memorandum of Incorporation relating to the Company's activities. Accordingly, on July 24, 2022, the Parent Company submitted a request to the CBK to cancel the financing activity license granted to the Parent Company by Central Bank of Kuwait. On August 1, 2022, CBK approved to cancel the financing activity license granted to the Parent Company.

The above amendments were notarized in the commercial registry under reference number 21799 dated August 4, 2022.

The Parent Company is under the supervision of the Capital Markets Authority ("CMA") according to Law No. 7/2010 for investment companies.

This interim condensed consolidated financial information was authorized for issue by the Parent Company's Board of Directors on October 26, 2022.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the financial year ended March 31, 2022.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB" or "Board"). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the six months period ended September 30, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2023. For further information, refer to the consolidated financial statements and notes thereto for the fiscal year ended March 31, 2022.

(a) Significant accounting policies

In preparation of the interim condensed consolidated financial information, the management made judgments and estimates that may affect the adoption of accounting policies and the reported amount of assets and liabilities, incomes and expenses. Actual result may differ from these estimates.

Amendments on the applied standards

Amended IFRS standards that are effective for the current year are as follows:

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the previous year except for the changes due to implementation of the following amended International Financial Reporting Standards as of April 1, 2022:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the International Accounting Standards Board ('IASB' or 'Board') issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued on 29 March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively. These amendments are not expected to have a material impact on the Group.

Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The Group is in the process of assessing the potential impact on its consolidated financial statements resulting from the application of the standard.

Annual Improvements to IFRS 2018-2020 cycle

The following is the summary of the amendments from the 2018-2020 annual improvements cycle:

IFRS 9 Financial Instruments - Fees in the '10%' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

This amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. These amendments are not expected to have a material impact on the Group.

New and revised IFRS in issue but not yet effective

At the date of authorization of these interim condensed consolidated financial information, the Group has not applied the following new and revised IFRS standards that have been issued but are not yet effective:

Amendments to IAS 1 Presentation of Financial Statements — Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted and are applied prospectively. The Group is in the process of assessing the potential impact on its consolidated financial statements resulting from the application of the amendment.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The Group is in the process of assessing the potential impact on its consolidated financial statements resulting from the application of the amendment.

SECURITIES GROUP COMPANY K.S.C. (CLOSED) AND SUBSIDIARIES (THE GROUP)
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2022

(All amounts are in Kuwaiti Dinars)

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

These amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is in the process of assessing the potential impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

3. Financial assets at fair value through other comprehensive income ("FVOCI")

	September 30, 2022	(Audited) March 31, 2022	September 30, 2021
Quoted securities	34,197,657	37,391,640	23,691,773
Unquoted securities	6,398,464	7,338,862	6,837,783
	<u>40,596,121</u>	<u>44,730,502</u>	<u>30,529,556</u>

Securities with a carrying value of KD 20,525,405 (March 31, 2022: KD 22,266,003; September 30, 2021: KD 21,640,649) were pledged with a local bank against a loan (Note 5).

Fair value measurement disclosures of financial assets at FVOCI are provided in Note 12.

4. Debt instruments at amortized cost

	Interest rate %	Maturity date	September 30, 2022	(Audited) March 31, 2022	September 30, 2021
Floating rate bond issued by a local company	2.75% + CBK discount rate	July 26, 2023	2,000,000	2,000,000	2,000,000
Floating rate bonds issued by a local company	2.25% + CBK discount rate	November 8, 2023	3,750,000	3,750,000	3,750,000
Floating rate bonds issued by a local company	2.25% + CBK discount rate	December 28, 2024	4,400,000	4,400,000	4,400,000
Floating rate bonds issued by a local bank	2.25% + CBK discount rate	October 10, 2032	2,000,000	2,000,000	-
Fixed rate bond issued by a local bank	4%	October 10, 2032	2,000,000	2,000,000	-
			<u>14,150,000</u>	<u>14,150,000</u>	<u>10,150,000</u>
Less: allowance for Expected Credit Losses ("ECL") (a)			<u>(86,356)</u>	<u>(107,096)</u>	<u>(125,497)</u>
			<u>14,063,644</u>	<u>14,042,904</u>	<u>10,024,503</u>

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(a) The movement in the allowance for ECL is as follows:

	September 30, 2022	(Audited) March 31, 2022	September 30, 2021
Balance as at the beginning of the period / year	107,096	150,842	150,842
Charge during the period / year	532	21,753	39,320
Provision no longer required	(21,272)	(65,499)	(64,665)
Balance as at the end of the period / year	86,356	107,096	125,497

5. Loan

Revolving loan carry an annual interest rate 0.7% (March 31, 2022: 0.7%; September 30, 2021: 0.7%) over the Central Bank of Kuwait discount rate and due for settlement on May 15, 2025.

Loan is secured by pledge of the following first-degree collaterals:

- (i) Pledge of investment properties with a carrying value of KD 2,803,554 (March 31, 2022: KD 2,803,554; September 30, 2021: KD Nil)
- (ii) Pledge of financial assets at FVOCI with a carrying value amounting to KD 20,525,405 (March 31, 2022: KD 22,266,003; September 30, 2021: KD 21,640,649) (Note 3).
- (iii) Pledge of 3,405,898 shares of Future Communication Co. K.S.C.P. ("FCC") classified as investment in associates.
- (iv) Pledge of 9,999,999 shares (March 31, 2022: shares 11,999,999; September 30, 2021: 11,999,999 shares) of Al-Jazeera Real Estate Development Co. K.S.C. (Closed) classified as investment in associates.

6. Net investment income

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Unrealized (loss) gain on change in fair value of financial assets at FVTPL	-	(523,143)	-	168,424
Realized gain on sale of financial assets at FVTPL	315,639	553,354	355,694	671,072
Dividend income	60,000	224,215	1,513,230	277,879
	375,639	254,426	1,868,924	1,117,375

7. Basic and diluted earnings per share attributable to shareholders of the Parent Company

Basic and diluted earnings per share is computed by dividing the profit for the period attributable to shareholders of the Parent Company by the weighted average number of shares outstanding during the period:

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
Profit for the period attributable to shareholders of the Parent Company	714,543	439,047	3,034,298	1,507,691
Weighted average number of shares outstanding	Shares 200,000,000	Shares 200,000,000	Shares 200,000,000	Shares 200,000,000
Basic and diluted earnings per share attributable to shareholders of the Parent Company	Fils 3.57	Fils 2.20	Fils 15.17	Fils 7.54

As there are no dilutive instruments outstanding, basic and diluted earnings per share attributable to shareholders of the Parent Company is the same as the above.

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8. Fiduciary assets

The Parent Company manages investment portfolios for others amounting to KD 2,752,864,380 as at September 30, 2022 (March 31, 2022: KD 2,768,298,090; September 30, 2021: KD 2,712,933,442) to earn management fees. These investment portfolios are registered in the name of the Parent Company and are not included in the accompanying interim condensed consolidated financial information (accounts off the interim condensed consolidated statement of financial position).

9. Related party disclosures

The Group has entered into various transactions with related parties concerning financing and other related services. Prices and terms of payment are approved by the Group's management and subject to approval by the shareholders of the Parent Company in the Annual General Assembly. Significant balances and transactions with other related parties are as follows:

	September 30, 2022	(Audited) March 31, 2022	September 30, 2021
(i) Interim condensed consolidated statement of financial position:			
Cash on hand and at banks	11,595,196	13,796,535	12,026,203
Loan (Note 5)	24,964,858	28,615,257	27,195,692
Loan from a related party (a)	13,500,000	14,000,000	11,000,000
Dividends Payable	244,447	260,402	215,683
Payable to shareholder on account of capital reduction	61,829	68,305	74,356
Due to related parties	205,780	157,124	164,886

- (a) This represents loan obtained from a shareholder carrying an annual interest rate of 1.75% (March 31, 2022: 1.5%; September 30, 2021: 1.25%). Loan from a related party is due for settlement on March 17, 2024.

	Three months ended September 30,		Six months ended September 30,	
	2022	2021	2022	2021
(ii) Interim condensed consolidated statement of profit or loss:				
Fees and commission income	40,000	85,861	80,000	115,337
Interest income	58	43	94	87
Finance charges	(173,810)	(113,743)	(335,484)	(231,086)
(iii) Compensation to key management personnel:				
Short-term benefits	81,798	81,798	163,596	172,335
Termination benefits	7,188	7,188	14,376	14,376

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10. Segment information

The Group is divided into operating segments for managing its business activities based on internal reporting provided to the chief operating decision maker as follows:

- Investment activities: Direct investment for the Group's benefit in securities, portfolios and funds.
- Asset management services: Portfolio and Fund management services for clients.
- Real estate activities: Investment in real estate and managing real estate portfolios.

	For the period ended September 30, 2022				
	2022		2021		
	Investment activities	Asset management services	Real estate activities	Total	
Segment operating revenue	2,154,371	1,001,954	372,939	3,529,264	2,622,393
Segment operating expenses	(335,484)	-	(19,232)	(354,716)	(257,049)
Unallocated operating expense	-	-	-	(903,373)	(821,965)
Operating profit	99,737	-	-	2,271,175	1,543,379
Group's share of results from associates	-	-	724,406	99,737	(55,797)
Gain on sale of investment properties	-	-	-	724,406	-
Other income	-	-	-	10,252	-
Marketing expenses	-	(24,882)	-	(24,882)	-
Foreign exchange loss	-	-	-	(3,018)	-
Net allowance for ECL no longer required	3,688	-	-	3,688	(11,626)
Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and Zakat	-	-	-	3,081,358	1,533,960
Contribution to KFAS	-	-	-	(32,661)	(14,518)
Zakat	-	-	-	(14,056)	(11,333)
Profit for the period	-	-	-	3,034,641	1,508,109
Other information					
Segment assets	66,283,543	243,077	15,214,223	81,740,843	81,528,350
Investment in associates	9,602,529	-	-	9,602,529	10,075,122
Unallocated assets	-	-	-	1,740,959	640,846
Total assets	75,886,072	243,077	15,214,223	93,084,331	92,244,318
Segment liabilities	38,464,858	-	-	38,464,858	38,195,692
Unallocated liabilities	-	-	-	2,245,913	2,286,368
Total liabilities	38,464,858	-	-	40,710,771	40,482,060

11. General Assembly

The shareholders Annual General Assembly of the Parent Company held on June 28, 2022, approved the distribution of cash dividends of 7 fils per share amounting to KD 1,400,000 and to distribute Board of Directors' remuneration amounting to KD 25,000 for the financial year ended March 31, 2022.

The shareholders Annual General Assembly of the Parent Company held on June 23, 2021, approved the distribution of cash dividends of 5 fils per share amounting to KD 1,000,000 and to distribute Board of Directors' remuneration amounting to KD 25,000 for the financial year ended March 31, 2021.

12. Fair value measurement

The details of fair value measurement hierarchy are as follow:

Level 1: Quoted (unadjusted) market price in active markets for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Group's financial instruments that are measured at fair value:

September 30, 2022	Level 1	Level 2	Total
Financial assets at FVOCI	34,197,657	6,398,464	40,596,121
March 31, 2022 (Audited)	Level 1	Level 2	Total
Financial assets at FVOCI	37,391,640	7,338,862	44,730,502
September 30, 2021	Level 1	Level 2	Total
Financial assets at FVTPL	5,695,500	-	5,695,500
Financial assets at FVOCI	23,691,773	6,837,783	30,529,556
	29,387,273	6,837,783	36,225,056

During the period ended September 30, 2022, there were no transfers among different levels of fair value measurement.