AL-ENMA'A REAL ESTATE COMPANY K.S.C.P.
AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 JULY 2020

Ernst & Young
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL ENMA'A REAL ESTATE COMPANY K.S.C.P.

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Enma'a Real Estate Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively "the Group") as at 31 July 2020, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 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 IAS 34.

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, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the nine-month period ended 31 July 2020 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 nine-month period ended 31 July 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

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

10 September 2020
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 July 2020

		Three months ended 31 July		*Nine months ended 31 July*	
	Note	***2020 KD***	*2019 KD*	***2020 KD***	*2019 KD*
REVENUES					
Revenue from services rendered		**1,856,735**	2,198,646	**6,005,608**	6,808,132
Revenue from real estate activities		**572,822**	546,675	**1,749,341**	1,922,410
Revenue from construction contracts		**108,967**	170,250	**418,314**	3,515,655
		2,538,524	2,915,571	**8,173,263**	12,246,197
COST OF REVENUES					
Cost of services rendered		**1,414,421**	1,679,022	**4,505,637**	5,107,232
Cost of real estate activities		**27,204**	40,935	**93,298**	149,160
Cost of construction contracts		**160,883**	170,249	**553,141**	3,677,507
		1,602,508	1,890,206	**5,152,076**	8,933,899
GROSS PROFIT		**936,016**	1,025,365	**3,021,187**	3,312,298
Allowance for expected credit losses		**(376,876)**	(96,534)	**(670,435)**	(95,431)
General and administrative expenses		**(338,338)**	(292,856)	**(1,049,722)**	(1,033,035)
PROFIT FROM OPERATIONS		**220,802**	635,975	**1,301,030**	2,183,832
Share of results of associates		**-**	10,879	**5,919**	29,889
Loss on sale of an associate		**-**	-	**(229,641)**	-
Net investment income (loss)		**17,523**	13,765	**(677,912)**	39,776
Other income		**2,779**	11,107	**36,768**	190,002
Finance costs on murabaha payables		**(100,765)**	(167,644)	**(382,288)**	(515,402)
Finance costs on lease liabilities		**(80,343)**	-	**(246,943)**	-
PROFIT (LOSS) FOR THE PERIOD BEFORE PROVISION FOR NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		**59,996**	504,082	**(193,067)**	1,928,097
NLST		**-**	(14,302)	**-**	(42,917)
Zakat		**-**	(5,720)	**-**	(17,167)
PROFIT (LOSS) FOR THE PERIOD		**59,996**	484,060	**(193,067)**	1,868,013
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	5	**0.13 fils**	1.07 fils	**(0.43) fils**	4.15 fils

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 July 2020

	Three months ended 31 July		*Nine months ended 31 July*	
	2020 KD	*2019 KD*	***2020 KD***	*2019 KD*
Profit (loss) for the period	**59,996**	484,060	**(193,067)**	1,868,013
Other comprehensive loss				
Items that are or may be reclassified to interim condensed consolidated statement of income in subsequent periods:				
- Exchanges differences on translation of foreign operation	**-**	(680)	**117**	(10,057)
- Recycling of foreign currency translation reserve upon disposal of associate	**-**	-	**(33,785)**	-
	-	(680)	**(33,668)**	(10,057)
Items that will not be reclassified subsequently to interim condensed consolidated statement of income in subsequent periods:				
- Change in fair value of financial assets at fair value through other comprehensive income	**(290,789)**	-	**(356,506)**	-
	(290,789)	-	**(356,506)**	-
Other comprehensive loss for the period	**(290,789)**	(680)	**(390,174)**	(10,057)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	**(230,793)**	483,380	**(583,241)**	1,857,956

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 July 2020

	Notes	***31 July 2020 KD***	*(Audited) 31 October 2019 KD*	*31 July 2019 KD*
ASSETS				
Non-current assets				
Property, plant and equipment		**318,880**	531,310	557,442
Investment properties	6	**41,669,376**	42,443,004	44,077,038
Investment in associates	14	**9,795**	1,717,736	1,695,680
Financial assets at fair value through other comprehensive income		**1,637,002**	1,993,508	2,491,080
Accounts receivable and other assets		**712,512**	792,542	92,559
Right of use assets	12	**6,304,212**	-	-
		50,651,777	47,478,100	48,913,799
Current assets				
Inventories		**128,667**	133,861	135,766
Financial assets at fair value through profit or loss		**2,598**	2,687	2,801
Contract assets		**4,066,205**	4,039,494	3,884,223
Accounts receivable and other assets		**13,075,848**	12,894,500	13,092,441
Investment deposits	7	**6,903,616**	6,003,616	5,458,616
Bank balances and cash	7	**603,933**	912,395	1,144,103
		24,780,867	23,986,553	23,717,950
TOTAL ASSETS		**75,432,644**	71,464,653	72,631,749
EQUITY AND LIABILITIES				
Equity				
Share capital		**45,053,468**	45,053,468	45,053,468
Share premium		**176,642**	176,642	176,642
Statutory reserve		**8,384,971**	8,384,971	8,384,971
Voluntary reserve		**4,479,673**	4,479,673	4,479,673
Foreign currency translation reserve		**-**	33,668	47,882
Cumulative changes in fair value reserve		**(2,652,444)**	(2,295,938)	(1,798,366)
Accumulated losses		**(11,084,773)**	(10,891,706)	(10,728,073)
TOTAL EQUITY		**44,357,537**	44,940,778	45,616,197
Non-current liabilities				
Employees' end of service benefits		**1,831,912**	1,698,573	1,658,694
Murabaha payables		**4,130,115**	5,131,889	1,525,028
Accounts payable and other liabilities		**4,885,838**	5,196,608	5,174,188
Lease liabilities	12	**4,656,362**	-	-
		15,504,227	12,027,070	8,357,910
Current liabilities				
Contract liabilities		**207,680**	222,069	230,260
Murabaha payables		**6,762,326**	7,623,389	11,822,282
Accounts payable and other liabilities		**6,939,414**	6,651,347	6,605,100
Lease liabilities	12	**1,661,460**	-	-
		15,570,880	14,496,805	18,657,642
TOTAL LIABILITIES		**31,075,107**	26,523,875	27,015,552
TOTAL EQUITY AND LIABILITIES		**75,432,644**	71,464,653	72,631,749

Saleh Turki Saleh Al-Khamis
Chairman

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

Al-Enma'a Real Estate Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 July 2020

	Share capital KD	*Share premium KD*	*Statutory reserve KD*	*Voluntary reserve KD*	*Foreign currency translation reserve KD*	*Cumulative changes in fair value reserve KD*	*Accumulated losses KD*	*Total KD*
As at 1 November 2019 (Audited)	45,053,468	176,642	8,384,971	4,479,673	33,668	(2,295,938)	(10,891,706)	44,940,778
Loss for the period	-	-	-	-	-	-	(193,067)	(193,067)
Other comprehensive loss for the period	-	-	-	-	(33,668)	(356,506)	-	(390,174)
Total comprehensive loss for the period	-	-	-	-	(33,668)	(356,506)	(193,067)	(583,241)
As at 31 July 2020	**45,053,468**	**176,642**	**8,384,971**	**4,479,673**	-	**(2,652,444)**	**(11,084,773)**	**44,357,537**
As at 1 November 2018 (Audited)	45,053,468	176,642	8,384,971	4,491,560	57,939	(1,798,366)	(12,596,086)	43,770,128
Profit for the period	-	-	-	-	-	-	1,868,013	1,868,013
Other comprehensive loss for the period	-	-	-	-	(10,057)	-	-	(10,057)
Total comprehensive (loss) income for the period	-	-	-	-	(10,057)	-	1,868,013	1,857,956
Zakat (Note 13)	-	-	-	(11,887)	-	-	-	(11,887)
As at 31 July 2019	45,053,468	176,642	8,384,971	4,479,673	47,882	(1,798,366)	(10,728,073)	45,616,197

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 July 2020

	Notes	*Nine months ended 31 July* 2020 KD	2019 KD
OPERATING ACTIVITIES			
(Loss) profit for the period before provision for National Labor Support Tax (NLST) and Zakat		**(193,067)**	1,928,097
Non-cash adjustments to reconcile (loss) profit for the period to net cash flows:			
Depreciation on property, plant and equipment and right of use assets		**1,465,604**	151,959
Gain on disposal of property, plant and equipment		**(20,475)**	(5,173)
Share of results of associates		**(5,919)**	(29,889)
Net investment loss (income)		**677,912**	(39,776)
Allowance for expected credit losses		**670,435**	95,431
Provision for employees' end of service benefits		**218,168**	213,323
Finance costs on murabaha payables		**382,288**	515,402
Finance costs on lease liabilities		**246,943**	-
Loss on disposal of an associate		**229,641**	-
		3,671,530	2,829,374
Changes in working capital:			
Inventories		**5,194**	(9,127)
Contract assets		**(80,825)**	198,882
Contract liabilities		**(14,389)**	(80,243)
Accounts receivable and other assets		**(1,473,538)**	1,082,991
Accounts payable and other liabilities		**(308,213)**	(847,141)
Cash flows from operations		**1,799,759**	3,174,736
Employees' end of service benefits paid		**(84,829)**	(520,181)
Net cash flows from operating activities		**1,714,930**	2,654,555
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(2,558)**	(33,380)
Proceeds from disposal of property, plant and equipment		**24,425**	42,494
Proceeds from liquidation of investment deposits		**200,000**	-
Proceeds from sale of investment in properties		**-**	4,000,000
Proceeds from sale of investment in associate		**1,450,551**	-
Proceeds from sale of financial assets at fair value through other comprehensive income		**-**	56,728
Profit from investment deposits received		**95,805**	33,453
Net cash flows from investing activities		**1,768,223**	4,099,295
FINANCING ACTIVITIES			
Net movement in murabaha payables		**(2,060,684)**	(1,974,665)
Finance costs paid		**(184,441)**	(506,736)
Payment of lease liabilities		**(732,000)**	-
Net cash flows used in financing activities		**(2,977,125)**	(2,481,401)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**506,028**	4,272,449
Cash and cash equivalents at the beginning of the year	7	**6,394,567**	1,863,986
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	**6,900,595**	6,136,435
Non-cash items excluded from the interim condensed consolidated statement of cash flows:			
Transitional adjustment to right-of-use assets on adoption of IFRS 16	3(a)	**(7,558,778)**	-
Adjustment to accounts receivable and other assets on adoption of IFRS 16	3(a)	**755,899**	-
Transitional adjustment to lease liabilities on adoption of IFRS 16	3(a)	**6,802,879**	-
		-	-

The attached notes 1 to 15 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Al Enma'a Real Estate Company K.S.C.P. (the "Parent Company") and its Subsidiaries (Collectively, the "Group") for the nine-months period ended 31 July 2020 was authorized for issuance in accordance with a resolution of the Parent Company's Board of Directors on 10 September 2020.

The Parent Company is a public Kuwaiti Shareholding Company registered and incorporated in Kuwait on 15 August 1993 whose shares are listed on the Boursa Kuwait. The Parent Company is a subsidiary of Kuwait Finance House K.S.C.P. (the "Ultimate Parent Company"), a registered Islamic Bank in Kuwait, and whose shares are listed on Boursa Kuwait.

The Parent Company is engaged in real estate activities inside and outside Kuwait. The Parent Company's activities in real estate include contracting, management and maintenance of real estate. The Parent Company undertakes contracts to construct buildings and to carry out real estate, commercial, residential, industrial and touristic projects as well as security of public and private real estate, and the transportation of funds and precious metals, in addition to maintenance of mechanical and electrical spare parts and building materials. Surplus funds are invested in direct equity investments, real estate and equity portfolios managed by specialist managers, both local and foreign. All activities are conducted in accordance with Islamic Sharia.

The registered office of the Parent Company is located at Abdullah Mubarak Street, Al-Enma'a Tower, First, Second and Mezzanine Floors, Kuwait.

The Annual General Assembly of the shareholders of the Parent Company held on 4 March 2020 approved the consolidated financial statements for the year ended 31 October 2019.

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the nine-months period ended 31 July 2020 has been prepared in accordance with IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial information is prepared on a historical cost basis except for investment properties, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss that have been measured at fair value.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinar (KD), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 October 2019. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the nine-months period ended 31 July 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 October 2020. For more details, please refer to the consolidated financial statements and its related disclosures for the year ended 31 October 2019.

3 CHANGES IN ACCOUNTING POLICIES

New standards, interpretations, and amendments adopted by the Group

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. Specifically, the Group applied IFRS 16 for the first time which is effective as of 1 January 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3 CHANGES IN ACCOUNTING POLICIES (continued)

New standards, interpretations, and amendments adopted by the Group (continued)

IFRS 16 *'Leases'*
IFRS 16 supersedes IAS 17 Leases, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise all leases under a single on-balance sheet model.

As a result of the publication of IFRS 16, many amendments were made to IAS 40. One consequence of the amendments is that an entity can no longer elect to classify and measure a property interest held by a lessee under a lease as investment property at fair value on a property-by-property basis. Instead, the measurement of investment property at cost or fair value has now become a policy choice that applies to all investment property, whether leased or owned.

Lessor accounting under IFRS 16 is, however, substantially unchanged from present accounting under IAS 17. Lessors continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating leases and finance leases. One exception is that IFRS 16 requires the intermediate lessor to classify the sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. However, this change does not have an impact on the Group's classification of the subleases. Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method and accordingly, the comparative information is not restated with the date of initial application of 1 November 2019. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

a) Nature of the effect of adoption of IFRS 16
Before the adoption of IFRS 16, the Group classified its leases (as lessee) at the inception date as operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the interim condensed consolidated statement of income on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under accounts receivable and other assets and accounts payable and other liabilities, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

➢ *Leases previously accounted for as operating leases*
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3 CHANGES IN ACCOUNTING POLICIES (continued)

New standards, interpretations, and amendments adopted by the Group (continued)

IFRS 16 *'Leases'* (continued)

a) Nature of the effect of adoption of IFRS 16 (continued)

The impact on the interim condensed consolidated statement of financial position as of 1 November 2019 is an increase (decrease) in the following assets and liabilities:

	KD
Assets	
Right-of-use assets	**7,558,778**
Less: Prepayments	**(755,899)**
	6,802,879
Liabilities	
Lease liabilities	**6,802,879**

b) Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

- *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the borrowing rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of finance cost and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below KD 1,500). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 CHANGES IN ACCOUNTING POLICIES (continued)

New standards, interpretations, and amendments adopted by the Group (continued)

IFRS 16 *'Leases'* (continued)

b) Summary of new accounting policies (continued)

- *Significant judgement in determining the lease term of contracts with renewal options*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional periods. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Other amendments to IFRSs which are effective for annual accounting period starting from 1 November 2019 did not have any material impact on the accounting policies, financial position or performance of the Group.

4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's interim condensed consolidated financial information are listed below.

Amendments to IFRS 3: *Definition of a Business*

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 *Business Combinations* to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: *Definition of Material*

In October 2018, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's interim condensed consolidated financial information.

5 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing the profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted (loss) earnings per share are calculated by dividing the profit (loss) for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 July, the Parent Company did not have any diluted shares, or treasury shares.

	Three months ended 31 July		*Nine months ended 31 July*	
	2020	*2019*	***2020***	*2019*
Profit (loss) for the period (KD)	**59,996**	484,060	**(193,067)**	1,868,013
Weighted average number of shares outstanding during the period	**450,534,680**	450,534,680	**450,534,680**	450,534,680
Basic and diluted earnings (loss) per share	**0.13 fils**	1.07 fils	**(0.43) fils**	4.15 fils

6 INVESTMENT PROPERTIES

	31 July 2020 KD	*(Audited) 31 October 2019 KD*	*31 July 2019 KD*
As at the beginning of the period / year	**42,443,004**	48,071,038	48,071,038
Disposals during period / year	-	(5,079,000)	(3,994,000)
Unrealized loss on evaluation	**(773,628)**	(549,034)	-
	41,669,376	42,443,004	44,077,038

The fair value of investment properties has been determined based on valuation performed by two independent professional real estate valuation experts who are specialized in valuing such type of properties. Both valuers have used the following methods:

- Some developed properties have been valued using the income capitalization approach assuming full capacity of the property;
- Other developed properties have been valued using the market approach based on recent transactions for properties with characteristics and location similar to those of the Group's properties;

Description of the above valuation methods is provided in detail in Note 11.

For valuation purposes, the Group has selected the lower of those two valuations (2019: the lower of two valuations). Based on those valuations, the Group has recognized an unrealized loss on revaluation of KD 773,628 (31 October 2019: KD 549,034 and 31 July 2019: KD Nil) in the interim condensed consolidated statement of income.

As at 31 July 2020, investment properties with a carrying value amounting to KD 17,023,000 and KD 12,302,000 (31 October 2019: KD 17,236,000 and KD 12,520,000 and 31 July 2019: KD 18,091,000 and KD 11,129,000) are pledged as a security against murabaha payables to the Ultimate Parent Company (Note 8) and local financial institutions, respectively.

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows are reconciled to the related items in the interim condensed consolidated statement of financial position as follows:

	31 July 2020 KD	*(Audited) 31 October 2019 KD*	*31 July 2019 KD*
Investment deposits	**6,903,616**	6,003,616	5,458,616
Bank balances and cash	**603,933**	912,395	1,144,103
	7,507,549	6,916,011	6,602,719
Less:			
Investment deposits with original maturities of more than three months	-	(200,000)	(200,000)
Bank overdrafts (included under accounts payable and other liabilities)	**(606,954)**	(321,444)	(266,284)
Cash and cash equivalents at the end of the period /year	**6,900,595**	6,394,567	6,136,435

As at 31 July 2020, bank balances and cash include an amount of KD 289,271 (31 October 2019: KD 539,374 and 31 July 2019: KD 892,668) which represents amounts held with the Ultimate Parent Company (Note 8).

As at 31 July 2020, investment deposits include an amount of KD 6,903,616 (31 October 2019: KD 5,303,616 and 31 July 2019: KD 4,758,616) which represents amounts held with the Ultimate Parent Company (Note 8).

As at 31 July 2020, bank overdrafts include an amount of KD 24 (31 October 2019: KD 283 and 31 July 2019: KD 25,695) which represents amounts withdrawn from the Ultimate Parent Company (Note 8).

The Parent Company manages on behalf of the Ultimate Parent Company, a portfolio of real estate assets. These real estate assets, investment deposits, and bank balances relating to these fiduciary accounts are not included in the interim condensed statement of financial position.

8 RELATED PARTY TRANSACTIONS

These represent transactions with major shareholders, associates, directors and executive officers of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. Pricing policies and terms of these transactions are approved by the Parent Company's Board of Directors.

8 RELATED PARTY TRANSACTIONS (continued)

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

Interim condensed consolidated statement of income:

	Three months ended 31 July				***Nine months ended 31 July***			
	Other Related parties KD	***Ultimate Parent Company KD***	***Total 2020 KD***	*Total 2019 KD*	***Other Related parties KD***	***Ultimate Parent Company KD***	***Total 2020 KD***	*Total 2019 KD*
Revenue from services rendered	**-**	**770,325**	**770,325**	963,878	**-**	**2,488,692**	**2,488,692**	2,745,203
Finance costs on murabaha payables	**-**	**26,513**	**26,513**	54,286	**-**	**100,342**	**100,342**	176,244
Cost of services rendered	**-**	**-**	**-**	-	**11,649**	**-**	**11,649**	10,610
Cost of construction	**17,110**	**-**	**17,110**	-	**33,211**	**-**	**33,211**	33,916
General and administrative expenses	**-**	**-**	**-**	-	**28,158**	**-**	**28,158**	23,878
Profit on investment deposits	**-**	**17,854**	**17,854**	2,892	**-**	**90,580**	**90,580**	27,635

Revenue from services rendered include KD 110,778 (31 July 2019: KD 204,607) which has been earned from trust and fiduciary activities.

8 RELATED PARTY TRANSACTIONS (continued)

	Ultimate Parent Company KD	***31 July 2020 KD***	*(Audited) 31 October 2019 KD*	*31 July 2019 KD*
Interim condensed consolidated statement of financial position:				
Amounts due from related parties (included under accounts receivable and other assets	**380,742**	**380,742**	522,806	480,699
Investment deposits (Note 7)	**6,903,616**	**6,903,616**	5,303,616	4,758,616
Bank balances and cash (Note 7)	**289,271**	**289,271**	539,374	892,668
Murabaha payables	**1,105,204**	**1,105,204**	2,560,597	3,056,939
Bank overdrafts (included under accounts payable and other liabilities) (Note 7)	**24**	**24**	283	25,695

As of 31 July 2020, murabaha payables due to the Ultimate Parent Company are secured against certain investment properties with a carrying value amounting to KD 17,023,000 (31 October 2019: KD 17,236,000 and 31 July 2019: KD 18,091,000), respectively (Note 6).

Amounts due from related parties are interest free and are receivable on demand.

As of 31 July 2020, investment deposits and bank balances amounting to KD 2,500,000 and KD 4,012,545 (31 October 2019: KD 2,500,000 and KD 5,631,183, and 31 July 2019: KD 2,500,000 and KD 6,142,341) respectively, are related to fiduciary assets held with the Ultimate Parent Company.

	Three months ended 31 July		*Nine months ended 31 July*	
	2020 KD	*2019 KD*	***2020 KD***	*2019 KD*
Key management compensations:				
Salaries and other short-term benefits	**59,524**	63,797	**214,238**	255,672
Employees' end of service benefits	**5,771**	7,080	**19,679**	21,954
	65,295	70,877	**233,917**	277,626

9 CONTINGENT LIABILITIES

(a) As at 31 July 2020, the Group has contingent liabilities representing letters of guarantee issued in the ordinary course of business amounting to KD 17,491,282 (31 October 2019: KD 17,975,533 and 31 July 2019: KD 18,269,842) from which it is anticipated that no material liability will arise.

(b) Letter of guarantees amounting to KD 11,729,835 (31 October 2019: KD 11,764,335 and 31 July 2019: KD 11,870,160) related to delayed projects amounting to KD 97,110,242 for which the Parent Company did not have approved extension on the project completion date.

(c) The Parent Company has legal cases filed by subcontractors and the management of the Parent Company does not expect probable obligations from those legal cases.

10 SEGMENT INFORMATION

For management purposes, the Group is organized into business units, based on their products and services, in order to manage its various lines of business. For segment reporting, the Group has four reportable operating segments as follows:

Construction Projects: undertaking contracts to construct buildings.

Services Rendered: undertaking maintenance of mechanical and electrical spare parts and building materials, providing security services, and managing real estate for others.

Real estate: managing its own properties and renting properties for others.

Investments: participating and investing in shares of local and foreign companies and real estate properties.

No operating segments have been aggregated to form the above reportable operating segments.

Management of the Parent Company monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial information.

Reported segment profit or loss is based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance and is reconciled to Group profit or loss.

During the periods ended 31 July 2020 and 31 July 2019, there were no significant inter-segment transactions. Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment.

10 SEGMENT INFORMATION (continued)

Segment information as at and for the nine months period ended 31 July is as follows:

	Construction Projects KD	***Services Rendered KD***	***Real Estate KD***	***Investments KD***	***Unallocated KD***	***Total KD***
Nine months ended 31 July 2020						
Segment revenues	**418,314**	**6,005,608**	**1,749,341**	**101,634**	**36,768**	**8,311,665**
Operating and administrative expenses	**(549,049)**	**(3,224,652)**	**(93,298)**	**(1,506,775)**	**(1,665,354)**	**(7,039,128)**
Depreciation	**(4,092)**	**(1,280,985)**	**-**	**(1,959)**	**(178,568)**	**(1,465,604)**
Segment costs	**(553,141)**	**(4,505,637)**	**(93,298)**	**(1,508,734)**	**(1,843,922)**	**(8,504,732)**
(Loss) profit for the period	**(134,827)**	**1,499,971**	**1,656,043**	**(1,407,100)**	**(1,807,154)**	**(193,067)**
As at 31 July 2020						
Assets	**11,782,520**	**11,067,681**	**35,995,694**	**15,373,217**	**1,213,532**	**75,432,644**
Liabilities	**9,563,566**	**7,600,303**	**1,784,740**	**9,178,479**	**2,948,019**	**31,075,107**
Capital expenditures and commitments	**-**	**-**	**2,558**	**-**	**-**	**2,558**

	Construction projects KD	*Services rendered KD*	*Real Estate KD*	*Investments KD*	*Unallocated KD*	*Total KD*
As at 31 October 2019						
Assets	11,972,067	5,310,052	35,941,753	17,202,297	1,038,484	71,464,653
Liabilities	9,456,502	1,445,775	2,227,900	10,588,272	2,805,426	26,523,875
Capital expenditures and commitments	-	-	55,886	-	-	55,886

10 SEGMENT INFORMATION (continued)

	Construction Projects KD	*Services Rendered KD*	*Real Estate KD*	*Investments KD*	*Unallocated KD*	*Total KD*
Nine months ended 31 July 2019						
Segment revenues	3,515,655	6,808,132	1,922,410	69,665	190,002	12,505,864
Operating and administrative expenses	(3,663,701)	(5,085,201)	(149,160)	(622,165)	(965,665)	(10,485,892)
Depreciation	(13,806)	(22,031)	-	(23,443)	(92,679)	(151,959)
Segment costs	(3,677,507)	(5,107,232)	(149,160)	(645,608)	(1,058,344)	(10,637,851)
(Loss) profit for the period	(161,852)	1,700,900	1,773,250	(575,943)	(868,342)	1,868,013
As at 31 July 2019						
Assets	11,679,140	4,973,447	37,157,726	17,785,544	1,035,892	72,631,749
Liabilities	9,267,214	1,728,062	2,316,893	11,087,672	2,615,711	27,015,552
Capital expenditures and commitments	-	27,185	-	-	6,195	33,380

11 FAIR VALUE MEASUREMENT

Fair value is 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.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair values of assets recorded at fair value by valuation technique:
Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows an analysis of assets recorded at fair value by level of the fair value hierarchy:

	Level 1 *KD*	*Level 2* *KD*	*Level 3* *KD*	*Total* *KD*
As at 31 July 2020				
Investment properties	**-**	**6,311,376**	**35,358,000**	**41,669,376**
Financial assets at fair value through profit or loss	**2,598**	**-**	**-**	**2,598**
Financial assets at fair value through other comprehensive income	**-**	**-**	**1,637,002**	**1,637,002**
	2,598	**6,311,376**	**36,995,002**	**43,308,976**
As at 31 October 2019 (Audited)				
Investment properties	-	6,647,004	35,796,000	42,443,004
Financial assets at fair value through profit or loss	2,687	-	-	2,687
Financial assets at fair value through other comprehensive income	-	-	1,993,508	1,993,508
	2,687	6,647,004	37,789,508	44,439,199
As at 31 July 2019				
Investment properties	-	7,059,038	37,018,000	44,077,038
Financial assets at fair value through profit or loss	2,801	-	-	2,801
Financial assets at fair value through other comprehensive income	-	-	2,491,080	2,491,080
	2,801	7,059,038	39,509,080	46,570,919

During the periods / year ended 31 July 2020, 31 October 2019 and 31 July 2019, there were no transfers between Level 1, level 2, and level 3 fair value measurement.

11 FAIR VALUE MEASUREMENT (continued)

The following table shows a reconciliation of the opening and closing amounts of level three assets, which are recorded at fair value.

	As at the beginning of the year KD	*Net losses recorded in the interim condensed consolidated statement of income KD*	*Net losses recorded in the interim condensed consolidated statement of comprehensive income KD*	*Net purchases, transfers, sales and settlements KD*	*As at the end of the period KD*
31 July 2020					
Investment properties	**35,796,000**	**(438,000)**	-	-	**35,358,000**
Financial assets at fair value through other comprehensive income	**1,993,508**	-	**(356,506)**	-	**1,637,002**
	37,789,508	**(438,000)**	**(356,506)**	-	**36,995,002**

	At the beginning of the year KD	*Transferred from financial assets available for sale KD*	*Transition adjustment on adoption of IFRS 9 at 1 November 2017 KD*	*Transferred from buildings and land under developments KD*	*Net losses recorded in the consolidated statement of income KD*	*Net losses recorded in the consolidated statement of comprehensive income KD*	*Net purchases, transfers, sales and settlements KD*	*At the end of the year KD*
31 October 2019 (Audited)								
Investment properties	41,012,000	-	-	-	(137,000)	-	(5,079,000)	35,796,000
Financial assets at fair value through other comprehensive income	2,547,808	-	-	-	-	(497,572)	(56,728)	1,993,508
	43,559,808	-	-	-	(137,000)	(497,572)	(5,135,728)	37,789,508

11 FAIR VALUE MEASUREMENT (continued)

	As at the beginning of the year *KD*	*Net losses recorded in the interim condensed consolidated statement of income* *KD*	*Net purchases, transfers, sales and settlements* *KD*	*As at the end of the period* *KD*
31 July 2019				
Investment properties	41,012,000	-	(3,994,000)	37,018,000
Financial assets at fair value through other comprehensive income	2,547,808	-	(56,728)	2,491,080
	43,559,808	-	(4,050,728)	39,509,080

Description of significant unobservable inputs to valuation of financial assets:
Unquoted equity securities classified as financial assets at fair value through other comprehensive income are valued using certain inputs and assumptions to determine the fair value based on the average market multiples method, price to book value of comparable companies, and discount for lack marketability and control.

Description of valuation methods used in the fair valuation of investment properties:

Developed properties

- Properties are valued using the income capitalization approach assuming full capacity of the property. Income capitalization approach is based on capitalization of the discounted annual cash flows from the property, which is calculated by discounting rental income generated annually by the property, assuming full capacity, using the current market discount rate.

- Properties are valued using the market approach. Market approach is based on a comparison of active market prices for similar properties and recent arm length's market transactions, adjusted for difference in the nature, location or condition of the specific property.

12 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Right -of-use assets ***KD***	***Lease liabilities*** ***KD***
As at 1 November 2019	7,558,778	6,802,879
Depreciation expense	(1,254,566)	-
Finance costs	-	246,943
Payments of lease liabilities	-	(732,000)
As at 31 July 2020	**6,304,212**	**6,317,822**

The Group discounted its lease payments using an incremental borrowing rate of 5%.

Set out below, are the amounts recognized in the interim condensed consolidated statement of income related to leases:

	KD
Depreciation expense of right-of-use assets (recorded under cost of services rendered)	**1,254,566**
Finance costs	**246,943**
As at 31 July 2020	**1,501,509**

13 COVID-19 AND RISK MANAGEMENT IN THE CURRENT ECONOMIC SCENARIO

The preparation of the Group's interim condensed consolidated financial information requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The outbreak of novel coronavirus ("COVID-19") since early 2020, globally caused disruptions to businesses and economic activity globally and the declaration of this pandemic by the World Health Organization necessitated the Group's management to revisit its significant judgments in applying the Group's accounting policies and the methods of computation and the key sources of estimation applied to the annual consolidated financial statements for the year ended 31 October 2019.

Whilst it is challenging now, to predict the full extent and duration of its business and economic impact, the Group's management carried out an impact assessment on the overall Group's operations and business aspects and concluded that, as of the issuance date of these interim condensed consolidated financial information, with an exception to, financial assets at fair value through other comprehensive income and investment properties, no significant changes are required to the judgements and key estimates.

However, in the view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

13.1 Risk management

The management is monitoring and reassessing the risk management objectives and policies based on the current updates on COVID-19. For the period ended 31 July 2020, there were no significant changes to the risk management objectives and policies as compared to the audited consolidated financial statements as at 31 October 2019.

13.1.1 Credit risk

The Group has concluded that it is not significantly exposed to credit risk as a result of the outbreak as its financial assets constitute bank balances and cash, trade receivables, contract assets, and retention receivables. While cash and bank balances are subject to the impairment requirements of IFRS 9, management determined that the identified impairment loss on bank balances and cash was immaterial as these balances are mostly held with counterparties with appropriate credit-ratings assigned by international credit-rating agencies.

The Group's exposure to credit risk from trade receivables, contract assets, and retention receivables is influenced mainly by the individual characteristics of each customer. Credit risk is managed by ensuring that collections are made on a timely manner and by requiring customers to pay advances, substantially eliminating the Group's credit risk in this respect. However, the effects of COVID-19 may increase the amount of ECL recognised relating to trade receivables, contract assets, and retention receivables due to the disruptive effects of the pandemic (e.g. shutdown of operations, reduced consumer spending, etc.). In measuring ECL, the Group considered the actions taken and it expects to take (e.g delays in payments and rent concessions) and the effect of those actions on cash flows.

13.1.2 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

- Day to day funding is managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature.
- Maintaining rolling forecasts of the Group's overall liquidity position on the basis of expected cash flows.
- Monitoring liquidity ratios and net current assets against internal standards.
- Maintaining debt financing plans.

The Group expects a significantly adverse impact on its liquidity due to COVID-19 outbreak. Management has taken several steps in protecting cash flows through compensating cost saving measures and reductions to discretionary capital expenditure. Further, the Group aims to maintain the level of its bank balances and cash at an amount in excess of expected cash outflows on financial liabilities.

13 COVID-19 AND RISK MANAGEMENT IN THE CURRENT ECONOMIC SCENARIO (continued)

13.2 Use of estimates and assumptions

The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial information is prepared. The COVID-19 outbreak has created uncertainty for revenue forecasts, sourcing and workforce availability, credit ratings, etc. but also volatility in stock prices, interest and currency exchange rates. Estimates based on such metrics may be subject to change due to market changes in the near term or circumstances arising that are beyond the control of the Group.

Information about key assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets is described below:

Financial assets at fair value through other comprehensive income

The Group considered certain inputs and assumptions to determine the fair value based on macroeconomic factors such as the average market multiples method, price to book value of comparable companies, and discount for lack marketability and control for unquoted equity securities classified as financial assets at fair value through other comprehensive income . The adjustments to these macroeconomic factors resulted in an unrealised loss on financial assets at fair value through other comprehensive income of KD 356,506 during the period.

Investment properties

As at the reporting date, the Group has considered the potential impact of the current economic volatility in the determination of the reported amounts of the Group's investment properties and the unobservable inputs are developed using the best available information about the assumptions that market participants would make in pricing these assets at the reporting date. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

The Group acknowledges that certain geographies and sectors in which these assets are located are negatively impacted and therefore has obtained external independent valuations of investment properties as of the date and has recognized a valuation loss amounting to KD 773,628 in its interim condensed consolidated statement of income for the period ended 31 July 2020. As the situation continues to unfold, the Group will continuously monitor the market outlook and use relevant assumptions in reflecting the values of these investment properties as and when they occur.

Trade receivables, contract assets, and retention receivables

The Group uses the simplified model in calculation of the ECL for trade receivables, contract assets, and retention receivables that do not contain a significant financing component by establishing a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. However, the segmentation applied in previous periods may no longer be appropriate and may need to be revised to reflect the different ways in which the COVID-19 outbreak affects different types of customers (e.g. by extending payment terms for trade receivables or by following specific guidance issued by the government in relation to the collection of lease or other payments).

The Group will continue to individually assess significant exposures as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

13.3 Subsequent events

The implications of COVID-19 are ongoing and the ultimate outcome of this event is unknown and therefore the full impact on the Group for events and circumstances that arose after the reporting date cannot be reasonably quantified at the authorisation date of this interim condensed consolidated financial information. The effect of COVID-19 on the Group, when known, will be incorporated into the determination of the Group's estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities.

14 INVESTMENT IN ASSOCIATES

During the period, the Group has disposed of an associate with a carrying value of KD 1,713,977 for a total consideration of KD 1,450,551 resulting in a loss on disposal of KD 263,426. This loss was offset by the reversal of the foreign currency translation reserve upon the disposal of the associate amounting to KD 33,785, resulting in a net loss on disposal of associate amounting to KD 229,641 recorded in the interim condensed consolidated statement of income during the period.

15 SUBSEQUENT EVENTS

Subsequent to the reporting period, and on 12 August 2020, the court of first instance has issued an initial verdict stating that an amount of KD 1,207,531 is to be paid by the Group to a contractor. On 9 September 2020, the Group has appealed the initial verdict issued by the court of first instance and the court date to discuss the appeal has been set to 20 October 2020.