Sokouk Holding Company K.S.C.P.
and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 SEPTEMBER 2021

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P.

Report on Review of Interim Condensed Consolidated Financial Information

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Sokouk Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 September 2021, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three and nine months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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
Except as explained in the following paragraph, 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, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion
As described in Note 9 and Note 14 to the interim condensed consolidated financial information, Islamic finance payables of KD 21,000,000 (31 December 2020: KD 21,000,000) are secured by a first charge over certain of the Group's land and buildings (the "leased property") with a carrying value of KD 27,305,082 as at 30 September 2021 (31 December 2020: KD 27,689,750).

As stated in Note 9 and Note 14 therein, the financing arrangements expired and the amount outstanding was payable on 30 June 2020. The uncertainties arising from the COVID-19 pandemic has made it difficult for the Group to refinance the existing financial liabilities or to access alternative financing arrangements, and accordingly the Group has been unable to conclude renegotiations with the lender.

During the period, the Group was subpoenaed by the court to evict and handover the leased property following a claim lodged by the lender. The Group's external legal counsel is in the process of developing a defense strategy for the trial proceedings mainly claiming the difference between the carrying value of the leased property and the debt obligation outstanding. The court is scheduled to consider this matter on 17 November 2021.

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P. (continued)

Report on Review of Interim Condensed Consolidated Financial Information (continued)

Basis for Qualified Conclusion (continued)
During the period, as stated in Note 9 and Note 14, the lender filed another case against the Group requesting the court to refer the matter to experts to evaluate the ownership of the property and has also raised a demand for compensation for the period from date of expiry of financing arrangement. The court is scheduled to consider this matter on 3 January 2022. Further, the Group filed a counter litigation to prove its claim on the right of ownership of property and have also claimed refund of entire finance cost since the beginning of financing arrangement contending this financing was in contravention of Islamic Sharia law. The court is scheduled to consider this matter on 14 November 2021.

Considering the range of possible outcomes of the judicial process, we were unable to obtain sufficient appropriate evidence at this stage to assess whether the Group continues to have ownership rights or the right to benefit from the recognised property and if the liabilities to which the arrangement applies represent the actual obligations of the Group at the reporting date. Consequently, we were unable to determine whether any adjustments might be necessary to the interim condensed consolidated financial information of the Group.

Qualified Conclusion
Except for the adjustments to the interim condensed consolidated financial information that we might have become aware of had it not been for the matter described above, 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.

Material Uncertainty Related to Going Concern and Impact of Covid-19
We draw attention to Note 2 in the interim condensed consolidated financial information, which indicates that the Group incurred a net loss of KD 5,163,575 during the nine months ended 30 September 2021 (30 September 2020: KD 14,273,079) and, as of that date, the Group has accumulated losses amounted to KD 27,980,929 (31 December 2020: KD 28,735,628 and 30 September 2020: KD 25,614,679). The Group's current liabilities exceeded its current assets by KD 20,945,266 (31 December 2020: KD 19,882,979 and 30 September 2020: KD 20,096,644).

Further, the COVID-19 pandemic has had a severe impact on the global hospitality industry. The travel and border restrictions implemented by the countries in which the Group operates has led to a significant fall in occupancy rates which impacted the Group's financial performance and cash flows. As stated in Notes 2 and 15 to the interim condensed consolidated financial information, these events or conditions, along with other matters as set forth in Note 9 for which we have modified our conclusion as described in the "Basis for Qualified Conclusion" paragraph above, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P. (continued)

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, except for the possible effect of the matter described in the *"Basis for Qualified Conclusion"* section of our report, 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 have occurred during the nine-month period ended 30 September 2021 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, except for the possible effect of the matter described in the *"Basis for Qualified Conclusion"* section of our report, 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 30 September 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

ABDULKARIM AL SAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

11 November 2021
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 September 2021

	Notes	*Three months ended 30 September* **2021** **KD**	*Three months ended 30 September* 2020 KD	*Nine months ended 30 September* **2021** **KD**	*Nine months ended 30 September* 2020 KD
INCOME					
Hospitality income		**316,980**	204,331	**1,395,298**	1,702,467
Hospitality costs		**(329,670)**	(318,488)	**(1,070,435)**	(1,241,704)
Net hospitality (loss) income		**(12,690)**	(114,157)	**324,863**	460,763
Net rental income from investment properties		**94,885**	68,551	**279,027**	220,170
Share of results of associates	5	**(471,439)**	(8,413,136)	**(3,600,449)**	(11,192,387)
Management fees income		**13,425**	11,482	**37,128**	38,722
Other income		**2,112**	25,156	**22,758**	82,262
		(373,707)	(8,422,104)	**(2,936,673)**	(10,390,470)
Staff costs		**(166,897)**	(167,643)	**(561,753)**	(528,083)
General and administrative expenses		**(101,392)**	(111,493)	**(578,020)**	(380,505)
Depreciation of right-of-use assets		**(29,031)**	(30648)	**(86,908)**	(94,354)
Impairment of property and equipment		-	-	-	(1,453,963)
Impairment of right-of-use assets		-	(89,739)	-	(89,739)
(Allowance for) reversal of provision for expected credit losses		**(370)**	(4,120)	**790**	(196,929)
Change in fair value of investment properties		-	-	-	(239,000)
Finance costs		**(203,672)**	(244,578)	**(612,690)**	(900,036)
		(501,362)	(648,221)	**(1,838,581)**	(3,882,609)
LOSS FOR THE PERIOD BEFORE TAX		**(875,069)**	(9,070,325)	**(4,775,254)**	(14,273,079)
Taxation	5	**(388,321)**	-	**(388,321)**	-
LOSS FOR THE PERIOD		**(1,263,390)**	(9,070,325)	**(5,163,575)**	(14,273,079)
Equity holders of the Parent Company		**(1,219,213)**	(9,012,185)	**(5,036,251)**	(13,965,213)
Non-controlling interests		**(44,177)**	(58,140)	**(127,324)**	(307,866)
		(1,263,390)	(9,070,325)	**(5,163,575)**	(14,273,079)
BASIC AND DILUTED LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	**(2.13) Fils**	(15.77) Fils	**(8.81) Fils**	(24.43) 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 30 September 2021

	Three months ended 30 September		*Nine months ended 30 September*	
	2021	*2020*	***2021***	*2020*
	KD	*KD*	***KD***	*KD*
LOSS FOR THE PERIOD	**(1,263,390)**	(9,070,325)	**(5,163,575)**	(14,273,079)
Other comprehensive income (loss):				
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations	**1,512**	(13,101)	**(3,934)**	25,204
Share of other comprehensive (loss) income of associates	**(3,774)**	202,905	**23,106**	148,565
Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods	**(2,262)**	189,804	**19,172**	173,769
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:				
Net gain (loss) on equity instruments at fair value through other comprehensive income	**64,000**	-	**90,569**	(346,172)
Share of other comprehensive loss of associates	**-**	(23,248)	**-**	(44,979)
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods	**64,000**	(23,248)	**90,569**	(391,151)
Net other comprehensive income (loss) for the period	**61,738**	166,556	**109,741**	(217,382)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(1,201,652)**	(8,903,769)	**(5,053,834)**	(14,490,461)
Attributable to:				
Equity holders of the Parent Company	**(1,157,475)**	(8,845,629)	**(4,926,510)**	(14,182,595)
Non-controlling interests	**(44,177)**	(58,140)	**(127,324)**	(307,866)
	(1,201,652)	(8,903,769)	**(5,053,834)**	(14,490,461)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 September 2021

	Notes	***30 September 2021 KD***	*(Audited) 31 December 2020 KD*	*30 September 2020 KD*
ASSETS				
Cash and cash equivalents		**2,755,476**	2,705,799	4,313,525
Inventories		**46,955**	36,854	40,524
Accounts receivable and prepayments		**727,188**	1,216,832	926,680
Investment properties		**5,141,000**	5,141,000	5,141,000
Financial assets at FVOCI		**751,547**	660,978	723,813
Investment in associates	5	**10,301,181**	13,882,458	17,671,168
Right-of-use assets		**2,009,912**	2,220,377	1,583,245
Property and equipment	6	**27,318,360**	27,719,874	27,655,088
TOTAL ASSETS		**49,051,619**	53,584,172	58,055,043
EQUITY AND LIABILITIES				
Equity				
Share capital	7	**59,314,500**	59,314,500	59,314,500
Statutory reserve		**-**	2,895,475	2,895,475
Voluntary reserve		**-**	2,895,475	2,895,475
Treasury shares	7	**(1,769,871)**	(1,769,871)	(1,769,871)
Effect of changes in other comprehensive income of associates		**(1,893,683)**	(1,916,789)	(1,764,927)
Foreign currency translation reserve		**51,203**	55,137	79,120
Fair value reserve		**(3,791,747)**	(3,882,316)	(4,279,210)
Other reserve		**(272,250)**	(272,250)	(272,250)
Accumulated losses		**(27,980,929)**	(28,735,628)	(25,614,679)
Equity attributable to equity holders of the Parent Company		**23,657,223**	28,583,733	31,483,633
Non-controlling interests		**389,746**	517,070	443,839
Total equity		**24,046,969**	29,100,803	31,927,472
LIABILITIES				
Islamic finance payables	9	**22,918,750**	22,367,500	24,000,338
Accounts payable and accruals		**1,743,019**	1,791,272	1,753,432
Employees' end of service benefits		**342,881**	324,597	373,801
Total liabilities		**25,004,650**	24,483,369	26,127,571
TOTAL EQUITY AND LIABILITIES		**49,051,619**	53,584,172	58,055,043

Mr. Mohammad Mubarak Al Hajeri
Chairman

Mr. Ahmad Mohammed Othman Al-Quraishi
Chief Executive Officer

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2021

	Attributable to equity holders of the Parent Company											
	Share capital KD	***Statutory reserve KD***	***Voluntary reserve KD***	***Treasury shares KD***	***Effect of changes in OCI of associates KD***	***Foreign currency translation reserve KD***	***Fair value reserve KD***	***Other reserve KD***	***Accumulated losses KD***	***Sub-total KD***	***Non-controlling interests KD***	***Total equity KD***
As at 1 January 2021	**59,314,500**	**2,895,475**	**2,895,475**	**(1,769,871)**	**(1,916,789)**	**55,137**	**(3,882,316)**	**(272,250)**	**(28,735,628)**	**28,583,733**	**517,070**	**29,100,803**
Loss for the period	-	-	-	-	-	-	-	-	(5,036,251)	(5,036,251)	(127,324)	(5,163,575)
Other comprehensive income (loss) for the period	-	-	-	-	23,106	(3,934)	90,569	-	-	109,741	-	109,741
Total comprehensive income (loss) for the period	-	-	-	-	23,106	(3,934)	90,569	-	-	109,741	-	109,741
Extinguishment of accumulated losses (Note 8)	-	(2,895,475)	(2,895,475)	-	-	-	-	-	5,790,950	-	-	-
At 30 September 2021	**59,314,500**	**-**	**-**	**(1,769,871)**	**(1,893,683)**	**51,203**	**(3,791,747)**	**(272,250)**	**(27,980,929)**	**23,657,223**	**389,746**	**24,046,969**
As at 1 January 2020	59,314,500	2,895,475	2,895,475	(1,769,871)	(1,868,513)	53,916	(3,933,038)	(272,250)	(11,649,466)	45,666,228	751,705	46,417,933
Loss for the period	-	-	-	-	-	-	-	-	(13,965,213)	(13,965,213)	(307,866)	(14,273,079)
Other comprehensive income (loss) for the period	-	-	-	-	103,586	25,204	(346,172)	-	-	(217,382)	-	(217,382)
Total comprehensive income (loss) for the period	-	-	-	-	103,586	25,204	(346,172)	-	(13,965,213)	(14,182,595)	(307,866)	(14,490,461)
At 30 September 2020	**59,314,500**	**2,895,475**	**2,895,475**	**(1,769,871)**	**(1,764,927)**	**79,120**	**(4,279,210)**	**(272,250)**	**(25,614,679)**	**31,483,633**	**443,839**	**31,927,472**

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 30 September 2021

	Nine months ended 30 September	
	2021	*2020*
	KD	*KD*
OPERATING ACTIVITIES		
Loss for the period	**(5,163,575)**	(14,273,079)
Adjustments to reconcile loss for the period to net cash flows:		
Change in fair value of investment properties	-	239,000
Share of results of associates	**3,600,449**	11,192,387
Depreciation of property and equipment	**393,812**	640,336
Impairment of property and equipment	-	1,453,963
Impairment of right-of-use assets	-	89,739
Depreciation of right-of-use assets	**210,465**	216,528
Dividend from financial assets at FVOCI	**(18,656)**	-
(Reversal of) provision for expected credit losses	**(790)**	196,929
Finance costs on debts and borrowings	**585,000**	865,920
Finance cost on lease liabilities	**27,690**	34,116
Provision for employees' end of service benefits	**54,438**	44,316
Gain on derecognition of right-of-use assets and lease liabilities	-	(19,229)
	(311,167)	680,926
Changes in operating assets and liabilities:		
Inventories	**(10,101)**	22,222
Accounts receivable and prepayments	**33,180**	984,218
Accounts payable and accruals	**109,194**	(45,256)
Cash flows (used in) from operating activities	**(178,894)**	1,642,110
Employees' end of service benefits paid	**(36,154)**	(42,352)
Receipt of government grants	-	5,920
Net cash flows (used in) from operating activities	**(215,048)**	1,605,678
INVESTING ACTIVITIES		
Purchase of property and equipment	**(13,995)**	(119,088)
Proceeds from partial redemption of financial assets at FVOCI	**457,254**	-
Dividend received from financial assets at FVOCI	**18,656**	-
Net cash flows from (used in) investing activities	**461,915**	(119,088)
FINANCING ACTIVITIES		
Payment of lease liabilities	**(163,440)**	(149,920)
Finance costs paid	**(33,750)**	(602,610)
Net cash flows used in financing activities	**(197,190)**	(752,530)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**49,677**	734,060
Cash and cash equivalents at 1 January	**2,705,799**	3,579,465
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	**2,755,476**	4,313,525
Non-cash items excluded from the interim condensed consolidated statement of cash flows:		
Additions to lease liabilities (adjusted with accounts payable and accruals)	-	417,370
Derecognition of right-of-use assets (adjusted with additions to property and equipment)	-	319,440
Additions to right-of-use assets (adjusted with additions to property equipment)	-	(417,370)
Derecognition of lease liabilities (adjusted with accounts payable and accruals)	-	(338,669)
Extinguishment of accumulated losses (adjusted with statutory reserve)	**2,895,475**	-
Extinguishment of accumulated losses (adjusted with voluntary reserve)	**2,895,475**	-

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 Sokouk Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the nine months ended 30 September 2021 was authorised for issue in accordance with a resolution of the directors on 11 November 2021.

The Group's annual audited consolidated financial statements for the year ended 31 December 2020 were approved by the shareholders of the Parent Company at the annual general assembly meeting ("AGM") held on 24 June 2021. No dividends have been declared by the Parent Company.

The Parent Company is a public shareholding company incorporated and domiciled in the State of Kuwait and whose shares are publicly traded in Boursa Kuwait.

The Parent Company's head office is located at ITS building 3rd Floor, Mubarak Al-Kabeer Street, Sharq and its registered postal address is at P.O. Box 29110, Safat 13152 - State of Kuwait.

The Parent Company is a subsidiary of Aref Investment Group S.A.K. (Closed) (referred to hereunder as "Aref" or the "Ultimate Parent Company"), a Kuwaiti shareholding company incorporated and domiciled in the State of Kuwait.

The principal activities of the Parent Company as per its Memorandum of Incorporation are, as follows:
- Owning shares of Kuwaiti or foreign shareholding companies or units in Kuwaiti or foreign limited liability companies, or establishing, managing, financing and sponsoring such companies.
- Financing and sponsoring entities in which the Company has an ownership interest of not less than 20% in such entities.
- Owning industrial rights such as patents, industrial trademarks, sponsoring foreign companies or any other related industrial rights and leasing such rights for the benefit of companies inside or outside State of Kuwait.
- Owning movable assets or real estates required to pursue the Company's activities within the limits acceptable by law.
- Utilising available surplus funds by investing these funds in portfolios managed by specialised parties.

All activities are conducted in accordance with Islamic Sharī'a as approved by the Parent Company's Fatwa and Sharī'a Supervisory Board.

2 FUNDAMENTAL ACCOUNTING CONCEPT AND IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic and the measures adopted by governments in countries worldwide to mitigate the pandemic's spread have significantly impacted the Group. The capacity constraints and restrictions imposed by the government along with travel bans has negatively impacted the Group's financial performance for the period and also its liquidity position.

For the nine months period ended 30 September 2021, the Group recognised a net loss of KD 5,163,575 and, as of that date, the Group's current liabilities exceeded its current assets by KD 20,945,266. Further, the Group's accumulated losses amounted to KD 27,980,929 as at the reporting date.

As a result of these effects, the Group operating results have declined significantly. Also, the Group's liquidity headroom has been negatively impacted.

In addition to the already known effects of the COVID-19 outbreak and resulting government measures, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the longer term impact on the Group's business will be. The COVID-19 virus can evolve in various directions. If society, and as a consequence business, is exposed to COVID-19 for a longer period of time, this may result in prolonged negative results and pressure on the Group's liquidity.

2 FUNDAMENTAL ACCOUNTING CONCEPT AND IMPACT OF COVID-19 (continued)

Management seeks to obtain the best possible information to enable the Group to assess these risks and implement appropriate measures to respond. The Group has taken and will take a number of measures to monitor and prevent the effects of the COVID-19 virus. These measures include (but is not limited to) the following:

- The Group maintains sufficient cash to meet liquidity needs in the event of an unforeseen interruption in cash flows.
- The Group monitors on an ongoing basis its liquidity position, near-term forecasts and key financial ratios to ensure that sufficient funds are available to meet its working capital commitments as they arise.
- The Group initiated discussion with various vendors and suppliers on discounts of supplies and services.
- The Group minimised all discretionary operational and capital expenditure, in addition to postponing maintenance and other capital expenditure where possible to conserve cash.
- Management has taken several cost saving measures which included employee furloughs together with other employee cost reductions.
- The Group has also approved a plan to sell a leased property carried at KD 27,305,082 which will be used in offsetting its debt obligation. (Note 9)

In forming an assessment on the Group's ability to continue as a going concern, management has made significant judgements about:

- The cash flow over next twelve months from the date the interim condensed consolidated financial information is authorised for issue depends on the Group's ability to implement the mitigating factors within the Group's control.
- The ultimate outcome of the lawsuit filed by a lender against the Group (Refer to Note 14 for further details).

Management acknowledges that uncertainty remains over the Group's ability to meet its funding requirements and to refinance or repay its banking facilities as they fall due. However, based on the facts and circumstances known at this moment and the possible scenarios about how the pandemic and resulting government measures could evolve, management has determined that the use of the going concern assumption is warranted and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the interim condensed consolidated financial information.

3 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

3.1 Basis of preparation

The interim condensed consolidated financial information for the nine months ended 30 September 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial information on the basis that it will continue to operate as a going concern. The management considered that material uncertainties exist that may cast doubt significant doubt over this assumption (Refer Note 2 for further details). They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020.

3.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3 BASIS OF PREPERATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

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

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

Interest Rate Benchmark Reform – Phase 2: ***Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16***

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

4 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the loss for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Three months ended 30 September		*Nine months ended 30 September*	
	2021	*2020*	***2021***	*2020*
Loss for the period attributable to equity holders of the Parent Company (KD)	**(1,219,213)**	(9,012,185)	**(5,036,251)**	(13,965,213)
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period	**571,645,336**	571,645,336	**571,645,336**	571,645,336
Basic and diluted EPS (Fils)	**(2.13) Fils**	(15.77) Fils	**(8.81) Fils**	(24.43) Fils

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

5 INVESTMENT IN ASSOCIATES

Details of associates are set out below:

Name	*% Equity interest*			*Carrying amount*		
	30 September 2021	*31 December 2020*	*30 September 2020*	***30 September 2021***	*31 December 2020*	*30 September 2020*
	%	*%*	*%*	***KD***	*KD*	*KD*
Munshaat Real Estate Projects Company K.S.C.P. ("Munshaat")	**27.67**	27.67	27.67	**-**	2,270,844	4,218,051
Qitaf Joint Venture ("Qitaf")	**36.43**	36.43	36.43	**640,944**	764,185	1,684,916
The Zamzam 2013 JV ("Zamzam")	**23.48**	23.48	23.48	**9,660,237**	10,847,429	11,768,201
				10,301,181	13,882,458	17,671,168

The movement in the carrying amount of investment in associates during the period/ year is, as follows:

Reconciliation to carrying amounts:	***30 September 2021 KD***	*(Audited) 31 December 2020 KD*	*30 September 2020 KD*
At the beginning of the period/year	**13,882,458**	28,734,934	28,734,934
Share of results	**(3,600,449)**	(14,805,421)	(11,192,387)
Share of other comprehensive income (loss)	**23,106**	(48,276)	103,586
Exchange differences	**(3,934)**	1,221	25,035
At the end of the period/year	**10,301,181**	13,882,458	17,671,168

As detailed in Note 2, due to the COVID-19 pandemic and resulting measures taken by various governments to contain the virus, the associates temporarily ceased commercial operations effective from 1 April 2020 until September 2020 causing a significant deterioration in financial conditions for the associates and an increase in economic uncertainty, hence triggering the requirement for impairment tests of certain non-financial assets held by the associates such as ROU assets. The associates carried out an assessment during the third and fourth quarters of 2020 and recognised the loss within 'Share of results of the associates' in the statement of profit or loss.

Since the impairment test was performed at the end of the last annual reporting period, management believes that, there are no new triggering events during the current interim period that require the Group to perform an impairment test in accordance with IAS 36.

Tax claim related to Munshaat

During the period, board of directors of Munshaat approved in their meeting on 25 May 2021 the allocation report performed by independent advisor appointed by Munshaat to allocate the tax expense to each of the taxable entities. Taxation represents 20% income tax for the year 2018 and 2.5% Zakat for 2019 payable to General Authority of Zakat and Tax ("GAZT"), in the Kingdom of Saudi Arabia ("KSA"). As a result, based on results of the allocation exercise, Group's share of the tax claim amounted to KD 388,321 (equivalent to SAR 4,830,846) which has been recognised by the Group within "Taxation" in the interim condensed consolidated statement of profit or loss.

6 PROPERTY AND EQUIPMENT

Land and buildings with a carrying amount of KD 27,305,082 (31 December 2020: KD 27,689,750, 30 September 2020: KD 26,894,240) are subject to a first charge to secure the Group's Islamic finance payables (Note 9).

Impairment losses related to a real estate property
At 31 December 2020, the Group assessed whether there is an indication that land and building may be impaired through assessing factors such as significant external adverse changes including market, economic, technological or legal environment factors in which the Group operates or internal observable factors including failure to meet budgeted and forecasted earnings in the current and prior years; that may trigger indicators of impairment that will either impact the carrying value or the remaining useful life of land and building. The management has also considered certain additional factors such as maintenance status, market knowledge and historical transactions.

Based on management assessment and the valuation performed by two independent real estate valuers with experience in the locations and category of the property being valued, the Group recognised an impairment loss of KD 523,357 during the year ended 31 December 2020 to reduce the carrying amount of the property to its recoverable amount. The impairment charge is presented as a separate line item in the consolidated statement of profit or loss for the year then ended. Management believes that there are no significant circumstances during the interim period that have arisen since year-end which may have a significant impact on the recoverable amount.

7 SHARE CAPITAL AND TREASURY SHARES

7.1 Share capital
At 30 September 2021, the authorised, issued and fully paid-up capital of the Parent Company comprises of 593,145,000 (31 December 2020: 593,145,000 and 30 September 2020: 593,145,000) shares of 100 fils each. All shares are paid in cash.

7.2 Treasury shares

	30 September 2021	*(Audited) 31 December 2020*	*30 September 2020*
Number of treasury shares	**21,499,664**	21,499,664	21,499,664
Percentage of share capital	**3.60%**	3.60%	3.6%
Cost of treasury shares – KD	**1,769,871**	1,769,871	1,769,871
Market value – KD	**515,992**	494,492	589,091
Weighted average market price – fils	**24**	23	27.4

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

8 ANNUAL GENERAL ASSEMBLY RESOLUTIONS

The annual general meeting ("AGM") of the shareholders of the Parent Company held on 24 June 2021 approved the consolidated financial statements for the year ended 31 December 2020 and approved payment of KD 7,500 to the independent board member (Note 10) for the year then ended. Further, the shareholders of the Parent Company in this AGM resolved not to distribute dividends for the year ended 31 December 2020, and approved extinguishment of KD 5,790,950 accumulated losses as at 31 December 2020 against statutory reserve and voluntary reserve as at 31 December 2020.

The AGM of the shareholders of the Parent Company held on 11 June 2020 approved the consolidated financial statements for the year ended 31 December 2019 and resolved not to distribute dividends for the year then ended.

9 ISLAMIC FINANCE PAYABLES

	Currency	*Effective interest rate (EIR)*	*30 September 2021 KD*	*(Audited) 31 December 2020 KD*	*30 September 2020 KD*
Secured Ijara loan		3.75%	**-**	-	21,196,875
Secured murabaha facility*	Kuwaiti Dinar	5.25%	**-**	-	1,563,463
Secured Ijara facility**	Kuwaiti Dinar	4.82%	**1,000,000**	1,000,000	1,240,000
Secured Ijara contract***	Kuwaiti Dinar	3.50%	**21,918,750**	21,367,500	-
			22,918,750	22,367,500	24,000,338

*Secured murabaha facility was repaid in full in the prior year.

**Secured Ijara facility mounting to KD 1,000,000 (31 December 2020: KD 1,000,000 and 30 September 2020: KD 1,240,000) represent facilities obtained from local Islamic financial institutions and are secured by investment properties amounting to KD 3,512,000 (31 December 2020: KD 3,512,000 and 30 September 2020: KD 3,680,000).

***Secured Ijara contract amounting to KD 21,918,750 (31 December 2020: KD 21,367,500 and 30 September 2020: KD 21,196,875) represent a finance lease agreement ("Ijara contract") entered into between Gulf Real Estate Development House Company ("Subsidiary") and a local financial institution ("lender") for a hotel property located in the State of Kuwait ("leased property") with a lease term of 65 months commencing on the date of signing the Ijara contract and maturing at the end of the lease on 30 June 2020 ("maturity date"). The lease payments are repayable in equal quarterly instalments of KD 275,625 and the ownership of the leased property is transferred to the Subsidiary once a lump sum payment of KD 21,000,000 ("balloon payment") is made at the maturity date. Ijara payables of KD 21,000,000 are secured by a first charge over the Group's leased property, with a carrying value of KD 27,305,082 at 30 September 2021 (31 December 2020: KD 27,689,750 and 30 September 2020: KD 26,894,240) (Note 14).

The COVID-19 pandemic lockdown placed severe stress on the Subsidiary's liquidity position as revenue-generating activities were severely restricted from February 2020 onwards. Given the uncertainties arising from the COVID-19 pandemic, the Subsidiary sent several correspondences to the lender explaining the financial difficulties encountered due to COVID-19 and exploring the possibility of extending the Ijara contract for an additional two years term. However, both the Subsidiary and the lender did not reach a conclusion and, accordingly the lender officially notified the Subsidiary in August 2020 to surrender the leased property.

On 4th October 2020, the Subsidiary held its extra-ordinary general assembly meeting ("EGM") and the majority shareholders approved to surrender the leased property and discharge the debt obligation while preserving the Subsidiary's financial and legal rights to claim the difference between the carrying value of the leased property and the debt obligation outstanding at the maturity date. However, the lender did not accept the handover terms and conditions which states the carrying value of the leased property.

On 30th March 2021, the Subsidiary held an extra-ordinary general assembly meeting ("EGM") wherein the majority shareholders approved a plan to sell the leased asset to fulfil the debt obligations.

On 5th April 2021, the Group was subpoenaed by the court to evict and surrender the leased property following a claim lodged by the lender. The Group's external legal counsel is in the process of developing a defence strategy for the trial proceedings mainly claiming the difference between the carrying value of the leased property and debt obligation outstanding. The court is scheduled to consider this matter on 17th November 2021.

On 4th July 2021, the lender has filed another case against the Group requesting the court to refer the matter to experts to evaluate the ownership of the property and has also raised a demand for compensation for the period from the date of expiry of the contract, i.e., 30th June 2020 till date. The court is scheduled to consider this matter on 3rd January 2022. However, finance cost is being continuously accrued by the Group since the expiry of the contract on 30th June 2020 in order to provide any such contingency. Further, on the same date, the Group has filed a counter litigation to prove its claim on the right of ownership on the property. The court is scheduled to consider this matter on 14th November 2021.

10 RELATED PARTY DISCLOSURES

Related parties represent the Ultimate Parent Company, major shareholders, associates, directors and key management personnel of the Group, and companies of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Parent Company's management.

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

			Nine months ended	
	Major shareholder of the Ultimate Parent Company ***KD***	***Associates*** ***KD***	***30 September 2021*** ***KD***	*30 September 2020* *KD*
Interim condensed consolidated statement of profit or loss:				
Management fees	-	**37,128**	**37,128**	38,722
Finance costs	-	-	**-**	66,434
General and administrative expenses	-	**388,321**	**388,321**	-

	Major shareholder of the Ultimate Parent Company ***KD***	***Ultimate Parent Company*** ***KD***	***Associates*** ***KD***	***Other related parties*** ***KD***	***30 September 2021*** ***KD***	*(Audited)* *31 December 2020* *KD*	*30 September 2020* *KD*
Interim condensed consolidated statement of financial position:							
Receivables from related parties	-	-	**143,431**	**2,387**	**145,818**	81,195	94,071
Payables to related parties	-	**121,845**	**388,566**	**10,344**	**520,755**	148,309	130,536
Islamic finance payables	-	-	-	-	-	-	1,563,463

10 RELATED PARTY DISCLOSURES (continued)

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

The aggregate value of transactions and balances outstanding related to key management personnel were as follows:

	Transaction values for the three months ended		*Transaction values for the nine months ended*		*Balance outstanding as at*		
	30 September 2021 KD	*30 September 2020 KD*	***30 September 2021 KD***	*30 September 2020 KD*	***30 September 2021 KD***	*(Audited) 31 December 2020 KD*	*30 September 2020 KD*
Salaries and other short-term benefits	**37,583**	37,404	**112,513**	110,980	**63,641**	54,479	50,927
End of service benefits	**2,389**	2,389	**7,090**	6,507	**83,705**	74,431	72,954
Compensation to independent board member*	-	-	**7,500**	-	-	-	-
	39,972	39,793	**127,103**	117,487	**147,346**	128,910	123,881

* Compensation to independent board member has been approved by the shareholders of the Parent Company in their AGM held on 24 June 2021 (Note 8).

11 SEGMENT INFORMATION

For management purposes, the Parent Company is organised into three major business segments. The principal activities and services under these segments are as follows:

- Investment: Managing direct investments and investment in subsidiaries and associates
- Real estate: Managing investment properties
- Hotel operations: Provision of hospitality services through the Millennium Hotel and Convention Center Kuwait

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

The following table presents segment revenue, expenses, results information of the Group's operating segments for the nine months ended 30 September 2021 and 30 September 2020:

	Hotel operations KD	***Real estate KD***	***Investment KD***	***Other unallocated items KD***	***Total KD***
Nine months ended 30 September 2021					
Segment revenue	**1,395,298**	**279,027**	**(3,600,449)**	**59,886**	**(1,866,238)**
Segment expenses	**(2,421,772)**	**(153,388)**	**(388,321)**	**(333,856)**	**(3,297,337)**
Segment results	**(1,026,474)**	**125,639**	**(3,988,770)**	**(273,970)**	**(5,163,575)**

	Hotel operations KD	*Real estate KD*	*Investment KD*	*Unallocated amounts KD*	*Total KD*
Nine months ended 30 September 2020					
Segment revenue	1,702,467	220,170	(11,192,387)	120,984	(9,148,766)
Segment expenses	(4,328,295)	(470,378)	-	(325,640)	(5,124,313)
Segment results	(2,625,828)	(250,208)	(11,192,387)	(204,656)	(14,273,079)

11 SEGMENT INFORMATION (continued)

The following table presents assets and liabilities for the Group's operating segments as at 30 September 2021, 31 December 2020 and 30 September 2020, respectively:

	Hotel operations KD	***Real estate KD***	***Investment KD***	***Other unallocated items KD***	***Total KD***
As at 30 September 2021					
Total assets	**29,782,592**	**6,025,405**	**12,205,268**	**1,038,354**	**49,051,619**
Total liabilities	**22,837,609**	**1,256,814**	**388,321**	**521,906**	**25,004,650**

31 December 2020 (Audited)	*Hotel operations KD*	*Real estate KD*	*Investment KD*	*Other unallocated items KD*	*Total KD*
Total assets	30,280,727	5,836,602	16,448,009	1,018,834	53,584,172
Total liabilities	22,686,302	1,294,526	-	502,541	24,483,369

	Hotel operations KD	*Real estate KD*	*Investment KD*	*Unallocated amounts KD*	*Total KD*
As at 30 September 2020					
Total assets	28,103,964	7,509,791	22,083,757	357,531	58,055,043
Total liabilities	24,037,777	1,531,230	-	558,564	26,127,571

12 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

30 September 2021	***Within 1 year KD***	***After 1 year KD***	***Total KD***
ASSETS			
Cash and cash equivalents	**2,755,476**	**-**	**2,755,476**
Inventories	**46,955**	**-**	**46,955**
Accounts receivable and prepayments	**527,188**	**200,000**	**727,188**
Investment properties	**-**	**5,141,000**	**5,141,000**
Financial assets at FVOCI	**-**	**751,547**	**751,547**
Investment in associates	**-**	**10,301,181**	**10,301,181**
Right-of-use assets	**-**	**2,009,912**	**2,009,912**
Property and equipment	**-**	**27,318,360**	**27,318,360**
TOTAL ASSETS	**3,329,619**	**45,722,000**	**49,051,619**
LIABILITIES			
Islamic finance payables	**22,918,750**	**-**	**22,918,750**
Accounts payable and accruals	**1,356,135**	**386,884**	**1,743,019**
Employees' end of service benefits	**-**	**342,881**	**342,881**
TOTAL LIABILITIES	**24,274,885**	**729,765**	**25,004,650**
NET LIQUIDTY GAP	**(20,945,266)**	**44,992,235**	**24,046,969**

12 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

31 December 2020 (Audited)	*Within 1 year KD*	*Over 1 year KD*	*Total KD*
ASSETS			
Cash and cash equivalents	2,705,799	-	2,705,799
Inventories	36,854	-	36,854
Accounts receivable and prepayments	1,016,832	200,000	1,216,832
Investment properties	-	5,141,000	5,141,000
Financial assets at FVOCI	-	660,978	660,978
Investment in associates	-	13,882,458	13,882,458
Right-of-use assets	-	2,220,377	2,220,377
Property and equipment	-	27,719,874	27,719,874
TOTAL ASSETS	3,759,485	49,824,687	53,584,172
LIABILITIES			
Islamic finance payables	22,367,500	-	22,367,500
Accounts payable and accruals	1,274,964	516,308	1,791,272
Employees' end of service benefits	-	324,597	324,597
TOTAL LIABILITIES	23,642,464	840,905	24,483,369
NET LIQUIDTY GAP	(19,882,979)	48,983,782	29,100,803

30 September 2020	*Within 12 months KD*	*After 12 months KD*	*Total KD*
ASSETS			
Cash and cash equivalents	4,313,525	-	4,313,525
Inventories	40,524	-	40,524
Accounts receivable and prepayments	726,680	200,000	926,680
Investment properties	-	5,141,000	5,141,000
Leasehold property	-	1,583,245	1,583,245
Financial assets at FVOCI	-	723,813	723,813
Investment in associates	-	17,671,168	17,671,168
Property and equipment	-	27,655,088	27,655,088
TOTAL ASSETS	5,080,729	52,974,314	58,055,043
LIABILITIES			
Islamic finance payables	24,000,338	-	24,000,338
Accounts payable and accruals	1,177,035	576,397	1,753,432
Employees' end of service benefits	-	373,801	373,801
TOTAL LIABILITIES	25,177,373	950,198	26,127,571
NET LIQUIDTY GAP	(20,096,644)	52,024,116	31,927,472

13 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

All financial assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the interim condensed consolidated financial information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Valuation methods and assumptions

The following methods and assumptions were used to estimate the fair values:

Unlisted equity securities

The fair value of unlisted equity investment has been estimated using a market-based valuation technique. The Group determines comparable public companies (peers) based on industry, size and leverage and calculates an appropriate trading multiple for the comparable company identified. The multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company specific facts and circumstances. The Group classifies the fair value of these investments as Level 3.

Other financial assets and liabilities

Fair value of other financial instruments is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in interest rates.

Reconciliation of Level 3 fair values

The following table shows a reconciliation of all movements in the fair value of items categorised within Level 3 between the beginning and the end of the reporting period:

	Non-listed equity investments		
	30 September 2021	*31 December 2020*	*30 September 2020*
As at 1 January	**660,978**	1,069,985	1,069,985
Remeasurement gain (loss) recognised in OCI	**90,569**	50,722	(346,172)
Redemptions	**-**	(459,729)	-
	751,547	660,978	723,813

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

13 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent.

14 LEGAL CLAIM CONTINGENCY

Financing arrangements of a partly owned subsidiary ("Subsidiary") expired and the debt outstanding of KD 21,000,000 was payable on 30 June 2020. The Subsidiary was unable to conclude re-negotiations with the lender or obtain replacement financing as at the maturity date. On 10th August 2020, the lender officially notified the subsidiary to surrender a pledged asset included under 'Properties and equipment' and carried at KD 27,305,082 (31 December 2020 and 30 September 2020: KD 27,689,750 and KD 26,894,240 respectively) in the interim condensed consolidated statement of financial position as at 30 September 2021 (Refer to Notes 6 and 9).

On 4th October 2020, the Subsidiary held its extra-ordinary general assembly meeting ("EGM") and the majority shareholders approved to surrender the leased property and discharge the debt obligation while preserving the Subsidiary's financial and legal rights to claim the difference between the carrying value of the leased property and the debt obligation outstanding at the maturity date. However, the lender did not accept the handover terms and conditions which states the carrying value of the leased property.

On 30th March 2021, the Subsidiary held an extra-ordinary general assembly meeting ("EGM") wherein the majority shareholders approved a plan to sell the leased property to fulfil the debt obligations.

On 5th April 2021, the Group was subpoenaed by the court to evict and surrender the leased property following a claim lodged by the lender. The first hearing was scheduled on 7th April 2021 but has been adjourned without deliberation. The Group's external legal counsel is in the process of developing a defense strategy for the trial proceedings mainly claiming the difference between the carrying value of the lease property and the debt obligation outstanding. The court is scheduled to consider this matter on 17th November 2021. Accordingly, no provision for any liability has been made in this interim condensed consolidated financial information.

On 4th July 2021, the lender has filed another case against the Group requesting the court to refer the matter to experts to evaluate the ownership of the property and has also raised a demand for compensation for the period from the date of expiry of the contract, i.e., 30th June 2020 till date. The court is scheduled to consider this matter on 3rd January 2022. However, finance cost is being continuously accrued by the Group since the expiry of the contract on 30th June 2020 in order to provide any such contingency. Further, on the same date, the Group has filed a counter litigation to prove its claim on the right of ownership on the property. The court is scheduled to consider this matter on 14th November 2021.

15 IMPACT OF COVID-19 OUTBREAK

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

The effects of COVID-19 pandemic have been significant on the Group's annual consolidated financial statements for the year ended 31 December 2020. As compared to the year ended 31 December 2020, the Group has not yet experienced any further significant adverse effects on its operations during the nine months ended 30 September 2021. Markets, however, remain volatile and carrying value of the financial and non-financial assets remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental, and the Group will accordingly continue to reassess its financial position and the related impact on a regular basis.