

**Ali Al-Ghanim Sons Automotive Company
K.S.C.P and its Subsidiaries (Formerly known as Ali
Al-Ghanim Sons Automotive Company K.S.C.
(Closed) and its subsidiaries)**

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

30 SEPTEMBER 2022

REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ALI AL-GHANIM SONS AUTOMOTIVE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2022, and the related interim condensed consolidated statement of profit or loss, and 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 interim condensed consolidated statement of cash flows for the nine-month period then ended.. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“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.

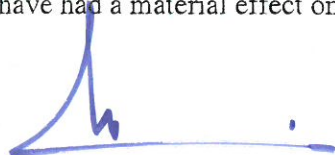
Conclusion

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 30 September 2022, that might have had a material effect on the business of the Parent Company or on its financial position.

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



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

3 November 2022

Kuwait

A member firm of Ernst & Young Global Limited

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 September 2022

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022	2021	2022	2021
		KD	KD	KD	KD
CONTINUING OPERATIONS					
Sale of goods		46,021,562	40,642,755	127,452,643	118,721,421
Rendering of services		2,466,956	2,545,645	7,288,481	7,010,312
Revenue from contracts with customers	3	48,488,518	43,188,400	134,741,124	125,731,733
Vehicle rental income		1,089,475	961,040	3,087,480	3,156,824
Cost of sales and services rendered		(38,257,094)	(34,894,816)	(106,070,169)	(102,575,956)
GROSS PROFIT		11,320,899	9,254,624	31,758,435	26,312,601
Other income		748,489	724,291	2,135,822	1,949,816
Share of results of associates	6	(302,374)	-	(302,374)	-
Distribution costs		(3,435,450)	(2,962,232)	(9,537,350)	(7,392,007)
Administrative expenses		(2,102,267)	(2,485,017)	(7,384,419)	(7,752,987)
Finance costs		(248,301)	(451,763)	(779,961)	(1,098,215)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		5,980,996	4,079,903	15,890,153	12,019,208
Contribution to Kuwait Foundation for the Advances of Sciences ("KFAS")		(48,211)	(37,585)	(137,406)	(118,074)
Zakat		(55,326)	(42,601)	(151,471)	(124,472)
National Labour Support Tax ("NLST")		(129,384)	-	(160,104)	-
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	4	5,748,075	3,999,717	15,441,172	11,776,662
DISCONTINUED OPERATIONS					
Loss after tax for the period from discontinued operations	16	(819,804)	-	(1,492,826)	-
PROFIT FOR THE PERIOD		4,928,271	3,999,717	13,948,346	11,776,662
Attributable to:					
Equity holders of the Parent Company		4,830,498	4,101,874	13,631,993	11,988,433
Non-controlling interests		97,773	(102,157)	316,353	(211,771)
		4,928,271	3,999,717	13,948,346	11,776,662
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)					
	5	17.50	14.78	49.22	43.20
BASIC AND DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT COMPANY (FILS)					
	5	19.65	14.78	52.19	43.20

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)


For the period ended 30 September 2022

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2022	2021	2022	2021
		KD	KD	KD	KD
PROFIT FOR THE PERIOD		4,928,271	3,999,717	13,948,346	11,776,662
Other comprehensive loss					
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>					
Cash flow hedges – effective portion of changes in fair value		(1,123,928)	(193,579)	(3,152,203)	(626,157)
Cost of hedging reserve – changes in fair value		(206,832)	(139,116)	(502,093)	(232,735)
Cost of hedging reserve – amortised to profit or loss		155,788	81,083	413,041	175,584
Net loss on cash flow hedges		(1,174,972)	(251,612)	(3,241,255)	(683,308)
Exchange differences on translation of foreign operations		(17,260)	40,296	4,828	(109,601)
Share of other comprehensive income of associates	6	131,472	-	131,472	-
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(1,060,760)	(211,316)	(3,104,955)	(792,909)
Other comprehensive loss for the period		(1,060,760)	(211,316)	(3,104,955)	(792,909)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,867,511	3,788,401	10,843,391	10,983,753
Attributable to:					
Equity holders of the Parent Company		3,904,640	3,873,243	10,675,281	11,254,886
Non-controlling interests		(37,129)	(84,842)	168,110	(271,133)
		3,867,511	3,788,401	10,843,391	10,983,753

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION (UNAUDITED)
At 30 September 2022

	Notes	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
ASSETS				
Non-current assets				
Property, plant, and equipment		91,204,165	91,983,666	101,223,829
Intangible assets		291,592	326,587	338,251
Medium-term receivables		1,284,837	1,379,815	1,456,916
Investment in associates	6	4,458,335	251,107	375,000
Financial assets at fair value through other comprehensive income		-	-	47,059
		97,238,929	93,941,175	103,441,055
Current assets				
Inventories		27,860,965	24,086,817	24,894,263
Accounts receivable and prepayments		10,014,199	7,045,573	9,359,817
Receivables from related parties	11	4,037,683	326,751	3,230,680
Cash and cash equivalents		19,436,372	19,068,429	27,060,139
		61,349,219	50,527,570	64,544,899
Assets held for sale	16	-	2,982,992	-
TOTAL ASSETS		158,588,148	147,451,737	167,985,954
EQUITY AND LIABILITIES				
Equity				
Share capital	7	27,750,000	27,750,000	27,750,000
Statutory reserve		2,731,756	2,731,756	1,230,135
Treasury shares	8	(2,954,654)	-	-
Treasury shares reserve	8	5,139	-	-
Asset revaluation surplus		20,791,681	20,791,681	24,958,000
Cash flow hedge reserve		(3,582,909)	(1,056,086)	(156,219)
Cost of hedging reserve		(113,006)	(30,065)	(77,813)
Fair value reserve		(47,059)	(47,059)	-
Foreign currency translation reserve		161,460	(51,493)	(89,271)
Other reserve		1,196,343	733,212	733,212
Retained earnings		8,731,940	6,519,962	16,997,680
Equity attributable to equity holders of the Parent Company		54,670,691	57,341,908	71,345,724
Non-controlling interests		6,310,631	6,627,301	6,455,707
Total equity		60,981,322	63,969,209	77,801,431
Non-current liabilities				
Loans and borrowings	9	21,760,693	19,978,433	22,156,993
Employees' end of service benefits		5,346,625	4,712,757	4,680,398
Accounts payable and accruals	10	11,860,888	8,834,410	9,886,728
		38,968,206	33,525,600	36,724,119
Current liabilities				
Loans and borrowings	9	2,182,898	2,253,202	5,302,209
Accounts payable and accruals	10	52,110,519	41,159,340	41,733,766
Payables to related parties	11	4,345,203	4,552,365	6,424,429
		58,638,620	47,964,907	53,460,404
Liabilities directly associated with assets classified as held for sale	16	-	1,992,021	-
Total liabilities		97,606,826	83,482,528	90,184,523
TOTAL EQUITY AND LIABILITIES		158,588,148	147,451,737	167,985,954


Eng. Fahad Ali Mohammed Thunayan Alghanim
Chairman

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2022

	<i>Attributable to equity holders of the Parent Company</i>												<i>Non-controlling interests</i> KD	<i>Total equity</i> KD
	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Asset revaluation surplus</i> KD	<i>Cash flow hedge reserve</i> KD	<i>Cost of hedging reserve</i> KD	<i>Fair value reserve</i> KD	<i>Foreign currency translation reserve</i> KD	<i>Other reserve</i> KD	<i>Retained earnings</i> KD	<i>Sub-total</i> KD		
As at 1 January 2022 (Audited)	27,750,000	2,731,756	-	-	20,791,681	(1,056,086)	(30,065)	(47,059)	(51,493)	733,212	6,519,962	57,341,908	6,627,301	63,969,209
Profit for the period	-	-	-	-	-	-	-	-	-	-	13,631,993	13,631,993	316,353	13,948,346
Other comprehensive (loss) income for the period	-	-	-	-	-	(3,086,724)	(82,941)	-	212,953	-	-	(2,956,712)	(148,243)	(3,104,955)
Total comprehensive (loss) income for the period	-	-	-	-	-	(3,086,724)	(82,941)	-	212,953	-	13,631,993	10,675,281	168,110	10,843,391
Transfer of cash flow hedge reserve to inventories	-	-	-	-	-	559,901	-	-	-	-	-	559,901	60,045	619,946
Dividends to equity holders of the Parent Company (Note 12)	-	-	-	-	-	-	-	-	-	-	(10,956,884)	(10,956,884)	-	(10,956,884)
Net purchase of treasury shares (Note 8)	-	-	(2,954,654)	5,139	-	-	-	-	-	-	-	(2,949,515)	-	(2,949,515)
Transfer of reserve of disposal group held for sale upon disposal	-	-	-	-	-	-	-	-	-	463,131	(463,131)	-	-	-
Transfer of non-controlling interest related to disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-	(164,660)	(164,660)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(380,165)	(380,165)
At 30 September 2022	27,750,000	2,731,756	(2,954,654)	5,139	20,791,681	(3,582,909)	(113,006)	(47,059)	161,460	1,196,343	8,731,940	54,670,691	6,310,631	60,981,322

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 September 2022

	Attributable to equity holders of the Parent Company									Non-controlling interests KD	Total equity KD
	Share capital KD	Statutory reserve KD	Asset revaluation surplus KD	Cash flow hedge reserve KD	Cost of hedging reserve KD	Other reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-total KD		
As at 1 January 2021 (<i>Audited</i>)	17,750,000	1,230,135	24,958,000	-	(20,662)	733,212	(39,032)	18,526,247	63,137,900	6,953,266	70,091,166
Profit (loss) for the period	-	-	-	-	-	-	-	11,988,433	11,988,433	(211,771)	11,776,662
Other comprehensive loss for the period	-	-	-	(626,157)	(57,151)	-	(50,239)	-	(733,547)	(59,362)	(792,909)
Total comprehensive (loss) income for the period	-	-	-	(626,157)	(57,151)	-	(50,239)	11,988,433	11,254,886	(271,133)	10,983,753
Increase of share capital	10,000,000	-	-	-	-	-	-	(10,000,000)	-	-	-
Transfer of cash flow hedge reserve to inventories	-	-	-	469,938	-	-	-	-	469,938	-	469,938
Dividends to equity holders of the Parent Company (Note 12)	-	-	-	-	-	-	-	(3,517,000)	(3,517,000)	-	(3,517,000)
Dividends to non-controlling interest	-	-	-	-	-	-	-	-	-	(226,426)	(226,426)
At 30 September 2021	<u>27,750,000</u>	<u>1,230,135</u>	<u>24,958,000</u>	<u>(156,219)</u>	<u>(77,813)</u>	<u>733,212</u>	<u>(89,271)</u>	<u>16,997,680</u>	<u>71,345,724</u>	<u>6,455,707</u>	<u>77,801,431</u>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 September 2022

	Notes	Nine months ended 30 September	
		2022 KD	2021 KD
OPERATING ACTIVITIES			
Profit before tax from continuing operations		15,890,153	12,019,208
Loss from discontinued operations	16	(1,492,826)	-
		14,397,327	12,019,208
<i>Profit before tax</i>			
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Loss (gain) on disposal of property, plant and equipment		20,335	(101,406)
Share of results of associates		302,374	-
Loss on de-recognition of subsidiary	16	1,847,540	-
Depreciation of property, plant and equipment	4	5,025,290	5,461,887
Amortisation of intangible assets		34,995	34,163
Allowance for (reversal of) provision for old and obsolete inventories	4	44,952	(987,646)
Allowance for (reversal of) expected credit losses on trade receivables	4	127,488	(458,243)
Provision for employees' end of service benefits		838,387	398,996
Rent concession income		-	(48,250)
Gain on derecognition of right-of-use assets and lease liabilities		(17,026)	(5,712)
Finance costs on loans and borrowings		623,343	821,976
Interest expense on lease liabilities		156,618	276,239
		23,401,623	17,411,212
<i>Working capital adjustments:</i>			
Inventories		(3,051,671)	7,019,927
Medium-term instalment credit receivables		94,978	(1,128,634)
Accounts receivable and prepayments		(3,102,599)	(1,473,468)
Amounts due from related parties		89,631	(714,783)
Amounts due to related parties		(308,837)	129,058
Accounts payable and accruals		8,505,797	(4,666,264)
		25,628,922	16,577,048
Cash flows from operations		(204,520)	(182,694)
Employees' end of service benefits paid			
Net cash flows from operating activities		25,424,402	16,394,354
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,926,105)	(1,837,492)
Proceeds from disposal of property, plant and equipment		308,299	231,894
Additions to intangible assets		-	(20,000)
Net movement in receivables from related parties		(3,800,563)	-
Net payments made to investment in associates		(5,330,650)	-
Purchase of treasury shares	8	(3,554,412)	-
Proceeds from sale of treasury shares	8	604,897	-
Net cash flows used in investing activities		(13,698,534)	(1,625,598)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		13,950,000	22,574,473
Repayment of loans and borrowings		(12,238,044)	(32,634,582)
Dividends paid to non-controlling interests		(380,165)	(226,426)
Net movement in payables to related parties		101,675	5,794,152
Dividends paid	12	(10,792,550)	(3,517,000)
Finance costs paid		(623,343)	(821,976)
Payment of lease liabilities		(1,299,747)	(1,318,179)
Net cash flows used in financing activities		(11,282,174)	(10,149,538)
NET INCREASE IN CASH AND CASH EQUIVALENTS		443,694	4,619,218
Cash and cash equivalents at 1 January		19,068,429	22,502,339
Foreign currency translation differences		(75,751)	(61,418)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER		19,436,372	27,060,139

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED) (CONTINUED)

For the period ended 30 September 2022

Non-cash items excluded from the interim condensed consolidated statement of cash flows:

	Note	<i>Nine months ended 30 September</i>	
		2022	2021
		KD	KD
Effective portion of loss on hedging instruments (adjusted with accounts payable and accruals)	15	1,080,756	244,017
Additions to lease liabilities (adjusted with accounts payable and accruals)		3,044,805	3,139,775
Additions to right-of-use assets (adjusted with property, plant and equipment)		(3,044,805)	(3,139,775)
Derecognition of right-of-use assets (adjusted property, plant and equipment)		276,277	191,680
Derecognition of lease liabilities (adjusted with accounts payable and accruals)		(293,303)	(198,392)
Transfer of property, plant and equipment from (to) inventories (net) - (adjusted with property, plant and equipment)		150,429	992,660
Transfer of property, plant and equipment (from) to inventories (net) - (adjusted with inventories)		(150,429)	(992,660)

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Ali Al-Ghanim Sons Automotive Company K.S.C.P. (Formerly known as Ali Al-Ghanim Sons Automotive Company K.S.C. (Closed)) (the “Parent Company”) and its Subsidiaries (collectively, the “Group”) for the nine months ended 30 September 2022 was authorised for issue in accordance with a resolution of the Parent Company’s Board of Directors on 3 November 2022.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 31 March 2022 approved the consolidated financial statements for the year ended 31 December 2021. Dividends proposed and paid by the Group for the year then ended are provided in Note 12.

The Parent Company was a closed Kuwaiti shareholding Company registered and incorporated in the State of Kuwait on 24 July 2018. The Group has set its initial public offering price to float a 45-percent stake and filed to list on Bursa Kuwait. The Board of Commissioners of Kuwait Capital Markets Authority (“CMA”) approved the listing of the Parent Company on Bursa Kuwait in the Premier Market on 28 April 2022. The Parent Company’s shares were listed in the Premier Market of Bursa Kuwait on 7 June 2022. The shareholders of the Parent Company in the extraordinary general assembly meeting (“EGM”) held on 6 July 2022 approved the change in the legal name to Ali Al-Ghanim Sons Automotive Company K.S.C.P. The changes in the articles and memorandum of association were authenticated in the commercial register on 25 July 2022 under registration number 399347.

The Parent Company is a subsidiary of Ali Alghanim Sons Holding Company K.S.C. (Closed) (the “Ultimate Parent Company”).

The registered postal address of the Parent Company is P.O. Box 21540, Safat 13076, Kuwait City.

The Parent Company is principally engaged in the following activities:

- ▶ Selling and purchasing cars and its spare parts.
- ▶ Importing and exporting light and heavy vehicles and cars.
- ▶ Maintaining and renting light and heavy vehicles and cars.
- ▶ Trading of auto spare parts, renting equipment and their maintenance.
- ▶ The Parent Company may have interest or participate, in any respect, with entities which embark on businesses similar to its businesses and which may help it to achieve its objects in Kuwait or abroad; and it shall have the right to purchase these entities.
- ▶ Possessing movables and real estate necessary for undertaking its activity within the limitation allowed by the law.
- ▶ Utilising the financial surpluses available with the Parent Company by means of investing them in financial portfolios to be managed by specialised companies and authorities.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2022 has been prepared in accordance with International Accounting Standard 34: “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The management consider that there are no material uncertainties that may cast doubt significant doubt over this assumption. 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 contain all information and disclosures required for full 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 December 2021.

Certain prior year/period amounts have been reclassified to conform to the current period presentation. There is no effect of these reclassifications on the previously reported equity as at 31 December 2021 and 30 September 2021 and profit for the year/period then ended. Such reclassifications have been made to improve the quality of information presented.

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

2.2 New standards, interpretations, and amendments adopted by the Group

The accounting policies 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 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

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

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the interim condensed consolidated financial information as the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

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

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

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

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

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Type of goods or service:</i>				
Sales of vehicles and spare parts	46,021,562	40,642,755	127,452,643	118,721,421
Vehicle inspection, repair and maintenance services	2,466,956	2,545,645	7,288,481	7,010,312
Total revenue from contracts with customers	48,488,518	43,188,400	134,741,124	125,731,733
<i>Geographical markets:</i>				
Kuwait	46,019,130	40,789,907	125,534,916	117,610,416
Iraq	2,469,388	2,398,493	9,206,208	8,121,317
Total revenue from contracts with customers	48,488,518	43,188,400	134,741,124	125,731,733
<i>Timing of revenue recognition:</i>				
Goods transferred at a point in time	46,021,562	40,642,755	127,452,643	118,721,421
Services rendered at a point in time	2,466,956	2,545,645	7,288,481	7,010,312
Total revenue from contracts with customers	48,488,518	43,188,400	134,741,124	125,731,733

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4 PROFIT FOR THE PERIOD

The profit for the period is stated after charging:

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Staff costs included in:				
Cost of sales and services rendered	1,420,131	765,563	3,218,824	2,131,217
Distributions costs	741,664	599,295	2,008,532	1,755,959
Administrative expenses	1,209,182	1,568,676	4,036,556	4,678,187
	3,370,977	2,933,534	9,263,912	8,565,363
Rent - operating leases included in*:				
Cost of sales and services rendered	4,500	4,500	13,500	13,500
Distributions costs	2,010	2,010	6,030	6,030
Administrative expenses	750	750	2,250	2,250
	7,260	7,260	21,780	21,780
Costs of inventories recognised as an expense (included in cost of sales and services rendered)	37,062,935	27,054,533	97,530,285	89,967,275
Rental vehicle fleet insurance charges (included in cost of sales and services rendered)	51,701	110,578	173,387	285,202
Allowance for (reversal of) provision for old and obsolete inventories included in:				
Administrative expenses	4,913	(34,662)	17,044	(525,657)
Distribution costs	41,091	21,319	27,908	(461,989)
	46,004	(13,343)	44,952	(987,646)
Allowance for (reversal of) expected credit losses on trade receivables included in:				
Cost of sales and services rendered	-	326	-	-
Administrative expenses	78,298	64,015	98,003	(104,419)
Distribution costs	19,224	(14,329)	29,485	(353,824)
	97,522	50,012	127,488	(458,243)
Depreciation expense recognised included in:				
Cost of sales and services rendered	564,230	597,643	1,791,940	2,002,615
Distributions costs	593,647	551,624	1,695,075	1,689,992
Administrative expenses	481,487	877,255	1,538,275	1,769,280
	1,639,364	2,026,522	5,025,290	5,461,887

* This represents expense relating to short-term leases

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5 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Profit from continuing operations attributable to equity holders of the Parent Company (KD)	5,423,296	4,101,874	14,453,629	11,988,433
Loss for the period from discontinued operations attributable to equity holders of the Parent Company (KD)	(592,798)	-	(821,636)	-
Profit for the period attributable to equity holders of the Parent Company (KD)	4,830,498	4,101,874	13,631,993	11,988,433
Weighted average number of shares outstanding during the period (shares)*	275,918,160	277,500,000	276,964,966	277,500,000
Basic and diluted EPS attributable to equity holders of the Parent Company (Fils)	17.50	14.78	49.22	43.20
Basic and diluted EPS from continuing operations attributable to equity holders of the Parent Company (Fils)	19.65	14.78	52.19	43.20

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

6 INVESTMENT IN ASSOCIATES

	<i>30 September</i>	<i>(Audited)</i>	<i>30 September</i>
	<i>2022</i>	<i>31 December</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
At the beginning of the period	251,107	375,000	375,000
Additions (Note 16)	4,323,321	-	-
Share of loss	(302,374)	(123,893)	-
Share of other comprehensive income	131,472	-	-
Exchange differences	54,809	-	-
	4,458,335	251,107	375,000

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7 SHARE CAPITAL

	<i>30 September</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 September</i> <i>2021</i> <i>KD</i>
Shares of 100 fils each	277,500,000	277,500,000	277,500,000
Authorised, issued and fully paid share capital (KD)	27,750,000	27,750,000	27,750,000

In prior year, the extra-ordinary general assembly meeting (“EGM”) of the shareholders of the Parent Company held on 30 September 2021 approved to increase in the Parent Company’s share capital from KD 17,750,000 to KD 27,750,000. The increase in share capital was authenticated in the commercial register on 28 October 2021 under registration number 399347.

8 TREASURY SHARES

	<i>30 September</i> <i>2022</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i>	<i>30 September</i> <i>2021</i>
Number of treasury shares	3,451,046	-	-
Percentage of share capital	1.24%	-	-
Net cost of treasury shares – KD	2,954,654	-	-
Market value – KD	2,709,071	-	-
Weighted average market price - Fils	724	-	-

- ▶ An amount equivalent to the cost of purchase of treasury shares held is not available for distribution during the holding period of such shares as per CMA guidelines.
- ▶ During the current interim reporting period, the Parent Company purchased 4,154,385 shares for a total consideration of KD 3,554,412 (30 September 2021: Nil)
- ▶ During the current interim reporting period, the Parent Company sold 703,339 shares for a total consideration of KD 604,897 (30 September 2021: Nil). The resultant gain from the sale of treasury shares amounted to KD 5,139 (30 September 2021: Nil) and was recognised in a separate reserve within equity (“treasury shares reserve”).

9 LOANS AND BORROWINGS

	<i>30 September</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 September</i> <i>2021</i> <i>KD</i>
Islamic finance payables	23,943,591	21,649,135	26,862,952
Term loans	-	582,500	596,250
	23,943,591	22,231,635	27,459,202
Non-current	21,760,693	19,978,433	22,156,993
Current	2,182,898	2,253,202	5,302,209
	23,943,591	22,231,635	27,459,202

Islamic finance payables included tawarruq facilities amounting to KD 11,693,545 (31 December 2021: KD 12,898,481; 30 September 2021: KD 14,993,188) which bear finance costs at commercial rates and are secured by a corporate guarantee provided by an entity under common control (Note 11).

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9 LOANS AND BORROWINGS (continued)

Term loans are secured by corporate guarantee issued by an entity under common control (Note 11). During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

10 ACCOUNTS PAYABLE AND ACCRUALS

	<i>30 September 2022</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	22,626,774	22,626,774
Advances from customers	-	14,566,313	14,566,313
Contract liabilities*	7,532,580	3,132,257	10,664,837
Lease liabilities	4,048,657	1,653,275	5,701,932
Accrued expenses	138,808	6,846,599	6,985,407
Deferred revenue	140,843	70,315	211,158
Dividend payable	-	164,334	164,334
Other payables	-	3,050,652	3,050,652
	<u>11,860,888</u>	<u>52,110,519</u>	<u>63,971,407</u>

	<i>31 December 2021 (Audited)</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	17,476,367	17,476,367
Advances from customers	-	8,415,601	8,415,601
Contract liabilities*	5,898,013	3,817,353	9,715,366
Lease liabilities	2,715,398	1,369,239	4,084,637
Accrued expenses	138,800	6,896,920	7,035,720
Deferred revenue	82,199	36,772	118,971
Other payables	-	3,147,088	3,147,088
	<u>8,834,410</u>	<u>41,159,340</u>	<u>49,993,750</u>

	<i>30 September 2021</i>		
	<i>Non-current KD</i>	<i>Current KD</i>	<i>Total KD</i>
Trade payables	-	22,531,861	22,531,861
Advances from customers	-	5,571,240	5,571,240
Contract liabilities*	4,980,562	4,593,449	9,574,011
Lease liabilities	4,742,624	1,627,851	6,370,475
Accrued expenses	138,800	4,780,010	4,918,810
Other payables	-	2,547,235	2,547,235
Deferred revenue	24,742	82,120	106,862
	<u>9,886,728</u>	<u>41,733,766</u>	<u>51,620,494</u>

* Contract liabilities represent unsatisfied performance obligations at the reporting date towards vehicle maintenance services.

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11 RELATED PARTY DISCLOSURES

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period.

	<i>Entities under common control</i>			
	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of profit or loss				
Sale of goods	17,042	1,043	20,522	5,661
Rendering of services	-	4,150	2,730	14,102
Vehicle rental income	-	-	3,314	-

Balances with related parties included in the interim condensed consolidated statement of financial position are, as follows:

	<i>30 September</i>	<i>(Audited)</i>	
		<i>31 December</i>	<i>30 September</i>
		<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Interim condensed consolidated statement of financial position			
<i>Receivables from related parties:</i>			
Entities under common control/ownership	237,120	326,751	3,230,680
Entity under significant influence	3,800,563	-	-
	<u>4,037,683</u>	<u>326,751</u>	<u>3,230,680</u>
<i>Payables to related parties:</i>			
Key management	512,948	584,088	459,881
Entities under common control/ownership	5,484	243,113	5,964,548
Other related parties	3,826,771	3,725,164	-
	<u>4,345,203</u>	<u>4,552,365</u>	<u>6,424,429</u>

Terms and conditions of transactions with related parties

Transactions with related parties are made on terms approved by the Group's management.

The amount due from entity under significant influence represents amounts contributed to Global Auto S.A.E. (former subsidiary) during the normal course of business operations and these amounts are not interest bearing and will be converted to share capital upon receiving the relevant regulatory approvals.

Other outstanding balances at the period-end are unsecured, interest free and have no fixed repayment schedule. For the period ended 30 September 2022, the Group has not recognised any provision for expected credit losses relating to amounts owed by related parties (31 December 2021: Nil; 30 September 2021: Nil).

Other related party transactions

- ▶ In 2021, the partners of a subsidiary approved an in-kind distribution of the subsidiary's 51% equity interest in Dwaliya Technical Inspection Company (Ali Alghanim & Sons and Partners) W.L.L. ("subsidiary") to the Parent Company, proportionate to their shareholding at carrying value.

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11 RELATED PARTY DISCLOSURES (continued)

Other related party transactions (continued)

- ▶ In 2021, the Group transferred a previously revalued leasehold land amounting to KD 5,007,000 to the Ultimate Parent Company for no consideration and transferred the cost and asset revaluation surplus amounting to KD 840,681 and KD 4,166,319 respectively to retained earnings.
- ▶ Term loans are secured by corporate guarantee issued by an entity under common control (Note 9). Islamic finance payables include tawarruq facilities amounting to KD 11,693,545 (31 December 2021: KD 12,898,481; 30 September 2021: KD 14,993,188) and are secured by a corporate guarantee provided by an entity under common control (Note 9). Further, a related party has provided corporate guarantee amounting to KD 10,030,445 (31 December 2021: KD 9,318,505; 30 September 2021: KD 6,267,039) to the Group in the ordinary course of business.

Compensation of key management personnel

Key management personnel comprise of the personnel having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances related to key management personnel were as follows:

	<i>Transaction values for three months period ended</i>		<i>Transaction values for nine months period ended</i>	
	<i>30 September 2022</i>	<i>30 September 2021</i>	<i>30 September 2022</i>	<i>30 September 2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Salaries and short-term benefits	131,141	116,805	342,391	304,555
End of service benefits	42,974	9,319	60,207	24,635
	174,115	126,124	402,598	329,190
			<i>Balance outstanding as at</i>	
			<i>(Audited)</i>	
			<i>30 September 2022</i>	<i>31 December 2021</i>
			<i>KD</i>	<i>KD</i>
Salaries and short-term benefits			186,601	683,101
End of service benefits			483,595	423,123
			670,196	1,106,224
				600,168

12 DIVIDENDS MADE AND PROPOSED

- ▶ The Board of directors of the Parent Company in their meeting held on 31 July 2022 proposed a distribution of an interim cash dividend of 23.78 fils per share aggregating to KD 6,516,884 on outstanding shares (excluding treasury shares) for the period ended 30 June 2022. The proposed dividends for the period then ended 30 June 2022 were approved by the shareholders of the Parent Company at the ordinary general assembly ("OGM") held on 25 August 2022 and was paid on 15 September 2022.
- ▶ The Board of Directors of the Parent Company in their meeting held on 9 March 2022 proposed a distribution of a cash dividend of 16 fils per share aggregating to KD 4,440,000 for the year ended 31 December 2021 (2020: 19.8 fils per share aggregating to KD 3,517,000). The proposed dividends for the year then ended 31 December 2021 were approved by the shareholders of the Parent Company at the AGM held on 31 March 2022 and was paid on 5 April 2022.
- ▶ On 29 April 2021, the (AGM) of the shareholders approved the payment of cash dividends of 19.8 fils per share amounting to KD 3,517,000 for the year ended 31 December 2020.

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13 CONTINGENCIES

The Group had contingent liabilities in respect of bank guarantees and letters of credit arising in the ordinary courses of business amounting to KD 26,529,295 (31 December 2021: KD 21,042,357; 30 September 2021: KD 22,604,786) from which it is anticipated that no material liabilities will arise.

14 SEGMENT INFORMATION

For management purposes, the Group is divided into four main geographical segments that are: a) State of Kuwait, b) Iraq c) Egypt and d) United Arab Emirates where the Group performs its main activities in the sales of vehicles, spare parts and rendering of services related to vehicle inspection, repair and maintenance services.

a) Segment revenue and results

The following tables present revenue and profit information of the Group's operating segments for the period ended 30 September 2022 and 2021, respectively:

	<i>Revenue</i>		<i>Results</i>	
	<i>Nine months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Kuwait	127,210,680	120,233,305	26,574,805	15,847,846
Iraq	9,206,208	8,121,317	1,341,784	744,490
Egypt	-	-	354,714	(1,265,384)
United Arab Emirates	-	-	(2,143,296)	(5,674)
Adjustments and eliminations	(1,675,764)	(2,622,889)	(12,179,661)	(3,544,616)
	134,741,124	125,731,733	13,948,346	11,776,662

b) Segment assets and liabilities

The following tables present assets and liabilities information for the Group's operating segments as at 30 September 2022, 31 December 2021 and 30 September 2021, respectively:

	<i>30 September</i>	<i>(Audited)</i>	
		<i>31 December</i>	<i>30 September</i>
		<i>2021</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Segment assets			
Kuwait	180,566,647	165,166,002	185,192,397
Iraq	7,325,312	7,557,205	6,400,517
Egypt	-	2,982,992	3,522,474
United Arab Emirates	8,559,335	9,390,555	13,856,620
Adjustments and eliminations	(37,863,146)	(37,645,017)	(40,986,054)
Total consolidated segment assets	158,588,148	147,451,737	167,985,954

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14 SEGMENT INFORMATION (continued)

b) Segment assets and liabilities (continued)

	30 September 2022 KD	(Audited) 31 December 2021 KD	30 September 2021 KD
Segment liabilities			
Kuwait	91,896,558	74,824,005	83,180,642
Iraq	2,093,278	3,095,617	2,431,411
Egypt	-	1,992,021	2,386,483
United Arab Emirates	3,828,333	3,712,444	5,814,554
Adjustments and eliminations	(211,343)	(141,559)	(3,628,567)
Total consolidated segment liabilities	97,606,826	83,482,528	90,184,523

15 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using		
	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
30 September 2022			
Financial instruments measured at fair value:			
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	(1,080,756)	-	(1,080,756)
31 December 2021 (Audited)			
Financial instruments measured at fair value:			
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	(1,123,559)	-	(1,123,559)
30 September 2021			
Financial instruments measured at fair value:			
<i>Financial assets at FVOCI</i>			
Unquoted equity securities	-	47,059	47,059
<i>Derivative financial liabilities</i>			
Foreign exchange forward contracts	(244,017)	-	(244,017)

During the period, there were no transfers between the levels of fair value hierarchy.

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 2021.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in interest rates.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

16 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets held for sale

In 2021, the Group has commenced the process to partially sell a portion of its investment in Global Auto S.A.E., an indirect subsidiary held through German Automotive Holding Ltd, to a third-party investor. As a result, the subsidiary meets all the criteria for classifying the assets and liabilities as held for sale regardless of whether the Group will retain a non-controlling interest in the former indirect subsidiary after the sale.

During the current period, the sale of 33.33% controlling interest in Global Auto S.A.E. (“former subsidiary”) is completed. As a result, all assets and liabilities of the former subsidiary were derecognised at their carrying amounts and the remaining 33.33% of investment retained in the former subsidiary was recognised provisionally at the date the control is lost and accounted for using the equity method of accounting effective from that date.

The results of Global Auto S.A.E for the period are presented below:

	<i>30 September 2022 KD</i>
Other income	85,565
Gain recognised on the remeasurement to fair value less costs to sell	1,509,882
Administrative expenses	(1,160,933)
Finance costs	(79,800)
	<u>354,714</u>
Loss on de-recognition of a subsidiary	(1,847,540)
Loss after tax for the period from discontinued operations	<u>(1,492,826)</u>
<i>Attributable to:</i>	
Equity holders of the Parent Company	(821,636)
Non-controlling interests	(671,190)
Loss after tax for the period from discontinued operations	<u>(1,492,826)</u>

As at 31 July 2022, the Group has partially sold 33.33% of its controlling interests for a consideration of KD 916,350 and incurred a provisional estimated loss of KD 1,847,540 which is included under loss after tax for the period from discontinued operations in the interim condensed consolidated statement of profit or loss. The retained equity interest 33.33% in Global Auto S.A.E. is provisionally fair valued at KD 4,323,321 and recognised as investment in associate in the interim condensed consolidated statement of financial position as at that date.

Ali Al-Ghanim Sons Automotive Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL

INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2022

16 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

Assets held for sale (continued)

The major classes of assets and liabilities of Global Auto S.A.E. classified as held for sale as at 30 September 2022 and 31 December 2021 are, as follows:

	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD
Assets		
Property, plant and equipment	-	1,699,800
Accounts receivable and prepayments	-	397,509
Bank balances and cash	-	885,683
	<hr/>	<hr/>
Assets held for sale	-	2,982,992
	<hr/>	<hr/>
	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD
Liabilities		
Lease liabilities	-	(1,904,459)
Accounts payable and accruals	-	(87,562)
	<hr/>	<hr/>
Liabilities directly associated with assets held for sale	-	(1,992,021)
	<hr/>	<hr/>
Net assets directly associated with the disposal group	-	990,971
	<hr/> <hr/>	<hr/> <hr/>

The net cash flows incurred by Global Auto S.A.E. classified as held for sale are, as follows:

	30 September 2022 KD	<i>(Audited)</i> 31 December 2021 KD
Operating activities	(283,126)	897,726
Investing activities	(3,121,163)	(2,694,984)
Financing activities	2,813,533	2,682,941
	<hr/>	<hr/>
	(590,756)	885,683
	<hr/> <hr/>	<hr/> <hr/>