

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Interim Condensed Financial Information (Unaudited)**  
**and the Review Report**  
For the Nine Month Period Ended 30 September 2021

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Interim Condensed Financial Information (Unaudited) and the Review Report**  
**For the Nine Month Period Ended 30 September 2021**

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## **Report on Review of Interim Condensed Financial Information**

**To the Board of Directors  
Al Sharq Financial Brokerage Company K.S.C. (Closed)  
State of Kuwait**

### *Introduction*

We have reviewed the interim condensed financial information of Al Sharq Financial Brokerage Company K.S.C. (Closed) ("the Company"), which comprise the interim condensed statement of financial position as at 30 September 2021, and the interim condensed statements of comprehensive income, changes in equity and cash flows for the nine month period then ended. The preparation and fair presentation of this interim condensed financial information is the responsibility of the Company's management in accordance with IAS 34: "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed 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 financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

### **Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed financial information is in agreement with the books of account of the Company. We further report that nothing has come to our attention indicating any violations of the Companies' Law No. 1 of 2016, and its Executive Regulations, as amended, or of the Company's Articles of Association and Memorandum of Incorporation, as amended, or of the Law No. 7 of 2010 concerning the Establishment of Capital Markets Authority and Organization of Securities Activity and its Executive Regulations, as amended, during the nine month period ended 30 September 2021 that would materially affect the Company's activities or its interim condensed financial position.



**Qais M. Al Nisf**  
**License No. 38 "A"**  
**BDO Al Nisf & Partners**

**Kuwait: 27 October 2021**

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Interim Condensed Statement of Financial Position (Unaudited)**  
**As at 30 September 2021**

		<b>(Audited)</b>		
	<b>Notes</b>	<b>30 September 2021</b>	<b>31 December 2020</b>	<b>30 September 2020</b>
		<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Furniture and equipment		88,492	82,636	48,731
Right-of-use assets		177,274	135,602	17,111
Intangible assets		23,298	27,049	23,423
Restricted bank balances	3	785,690	505,961	513,388
Term deposit		-	-	50,000
		<u>1,074,754</u>	<u>751,248</u>	<u>652,653</u>
<b>Current assets</b>				
Accounts receivable and other debit balances	4	245,905	158,589	209,941
Financial assets at fair value through profit or loss	10,5	1,321,159	222,985	145,482
Cash and cash equivalents	3	9,796,607	11,435,344	11,244,514
		<u>11,363,671</u>	<u>11,816,918</u>	<u>11,599,937</u>
<b>Total assets</b>		<u>12,438,425</u>	<u>12,568,166</u>	<u>12,252,590</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		10,000,000	10,000,000	10,000,000
Statutory reserve		716,058	716,058	670,779
Retained earnings		1,069,785	721,430	682,947
<b>Total equity</b>		<u>11,785,843</u>	<u>11,437,488</u>	<u>11,353,726</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service benefits		258,761	349,196	324,497
Lease liabilities		81,566	74,294	1,190
		<u>340,327</u>	<u>423,490</u>	<u>325,687</u>
<b>Current liabilities</b>				
Lease liabilities		103,787	62,573	2,702
Accounts payable and other credit balances	6	208,468	644,615	570,475
		<u>312,255</u>	<u>707,188</u>	<u>573,177</u>
<b>Total Liabilities</b>		<u>652,582</u>	<u>1,130,678</u>	<u>898,864</u>
<b>Total equity and liabilities</b>		<u>12,438,425</u>	<u>12,568,166</u>	<u>12,252,590</u>

The accompanying notes on pages 6 to 12 form an integral part of this interim condensed financial information.



**Hesham Salem Al Roomi**  
*Chairman*

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Interim Condensed Statement of Comprehensive Income (Unaudited)**  
For the Nine Month Period Ended 30 September 2021

	Note	Three months ended		Nine months ended	
		30 September		30 September	
		2021	2020	2021	2020
		KD	KD	KD	KD
<b>Revenues:</b>					
Trading commission revenues	6	486,480	318,566	1,485,517	817,447
Net investment income		72,569	67,837	129,381	184,520
Other income		-	-	52	-
		<u>559,049</u>	<u>386,403</u>	<u>1,614,950</u>	<u>1,001,967</u>
<b>Expenses and charges:</b>					
General and administrative expenses		278,814	188,480	745,418	621,734
Provision for expected credit losses		-	-	129	12,306
Finance costs		<u>1,739</u>	<u>89</u>	<u>4,657</u>	<u>770</u>
		<u>280,553</u>	<u>188,569</u>	<u>750,204</u>	<u>634,810</u>
<b>Profit for the period before contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) and Zakat</b>		278,496	197,834	864,746	367,157
Contribution to Kuwait Foundation for the Advancement of Sciences		(4,030)	(1,766)	(8,647)	(3,304)
Zakat		<u>(4,394)</u>	<u>(2,262)</u>	<u>(7,744)</u>	<u>(4,365)</u>
<b>Total comprehensive income for the period</b>		<u>270,072</u>	<u>193,806</u>	<u>848,355</u>	<u>359,488</u>

The accompanying notes on pages 6 to 12 form an integral part of this interim condensed financial information.

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Interim Condensed Statement of Changes in Equity (Unaudited)**  
**For the Nine Month Period Ended 30 September 2021**

	<b>Share capital</b>	<b>Statutory reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>At 1 January 2020</b>	10,000,000	670,779	323,459	10,994,238
Total comprehensive income for the period	-	-	359,488	359,488
<b>At 30 September 2020</b>	<u>10,000,000</u>	<u>670,779</u>	<u>682,947</u>	<u>11,353,726</u>
<b>At 1 January 2021</b>	10,000,000	716,058	721,430	11,437,488
Total comprehensive income for the period	-	-	848,355	848,355
Dividend payments (Note 8)	-	-	(500,000)	(500,000)
<b>At 30 September 2021</b>	<u>10,000,000</u>	<u>716,058</u>	<u>1,069,785</u>	<u>11,785,843</u>

The accompanying notes on pages 6 to 12 form an integral part of this interim condensed financial information.

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Interim Condensed Statement of Cash Flows (Unaudited)**  
For the Nine Month Period Ended 30 September 2021

	Notes	Nine months ended 30 September	
		2021	2020
		KD	KD
<b>Operating activities</b>			
Profit for the period		848,355	359,488
<i>Adjustments for:</i>			
Depreciation		24,549	21,000
Amortization of right-of-use assets and intangible assets		73,423	64,015
Net investment income		(129,381)	(184,520)
Provision for expected credit losses		129	12,306
Finance costs		4,657	770
Employees' end of service benefits		27,000	90,000
		<u>848,732</u>	<u>363,059</u>
<i>Changes in working capital:</i>			
Accounts receivable and other debit balances		(88,443)	(46,035)
Accounts payable and other credit balances		<u>(64,675)</u>	<u>(43,807)</u>
<b>Cash flows from operations</b>		695,614	273,217
Net movement in restricted bank balances		(279,729)	32,066
Employees end of service benefits paid		<u>(117,435)</u>	<u>(25,223)</u>
<b>Net cash flows from operating activities</b>		<u>298,450</u>	<u>280,060</u>
<b>Investing activities</b>			
Purchase of furniture and equipment		(33,753)	(12,534)
Proceeds from sale of furniture and equipment		-	720
Purchase of intangible assets		(4,700)	(3,043)
Purchase of financial assets at fair value through profit or loss	5	(1,088,016)	(123,878)
Dividends received		-	7,701
Interest revenues received		<u>115,394</u>	<u>172,545</u>
<b>Net cash flows (used in)/from investing activities</b>		<u>(1,011,075)</u>	<u>41,511</u>
<b>Financing activities</b>			
Dividend payments		(871,472)	-
Payment of principal portion of lease liabilities		(49,983)	(46,539)
Finance costs paid		<u>(4,657)</u>	<u>(770)</u>
<b>Net cash flows used in financing activities</b>		<u>(926,112)</u>	<u>(47,309)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(1,638,737)</u>	<u>274,262</u>
Cash and cash equivalents at beginning of the period		11,435,344	10,970,252
<b>Cash and cash equivalents at the end of the period</b>	3	<u>9,796,607</u>	<u>11,244,514</u>

The Company has the following non-cash transactions during the period which are not presented in the statement of interim condensed statement of cash flows.

**Non-cash transactions:**

Additions to right-of-use assets and lease liabilities	<u>105,084</u>	<u>9,233</u>
Selling furniture and equipment through accounts receivable and other debit balances	<u>4,900</u>	<u>-</u>

The accompanying notes on pages 6 to 12 form an integral part of this interim condensed financial information.

**Notes to Interim Condensed Financial Information (Unaudited)**  
For the Nine Month Period Ended 30 September 2021

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**1. Incorporation and Activities**

Al Sharq Financial Brokerage Company K.S.C (Closed) (the “Company”) is a Kuwaiti Shareholding Closed Company registered in the State of Kuwait. The Company was incorporated on 16 March 1986 as per Memorandum of Incorporation No. 406/Vol. 1, as amended. The last amendment to the Memorandum of Incorporation and Articles of Association was notarized in the commercial register under No. 16158 on 28 March 2021.

The Company is regulated and supervised by the Capital Markets Authority (“CMA”) as a financial brokerage Company.

In accordance with the Memorandum of Incorporation and Articles of Association, the Company’s objectives comprise the following:

- Carrying out securities brokerage marketable in Kuwait Stock Exchange.
- The Company may not carry out any other activity, other than what is mentioned in the previous paragraph, especially securities speculation or any other commercial or real estate acts.
- Excluded from this prohibition mentioned in the previous paragraph, the Company's investment of its funds (which do not exceed half of its total share capital and its reserves) in long-term investment shares and purchase of properties to be utilized as offices or for residential purposes for the Company’s staff, after getting prior approval from Capital Markets Authority, considering the regulations and decisions issued by CMA from time to time.
- Selling, buying and subscription to Sukuk and bonds for the Company’s account only.

On 6 January 2021, the Extraordinary General Assembly has approved the latest amendment to Article No. 5, paragraph 4 of the Memorandum of Incorporation and to Article No. 4, paragraph 4 of the Articles of Association to add the following objective:

- Securities broker not registered with the stock exchange market.

This amendment was notarized in the commercial register on 28 March 2021.

The number of the Company’s employees as at 30 September 2021 was 51 employees (31 December 2020: 55 employees and 30 September 2020: 52 employees).

The registered address of the Company is: Boursa Kuwait, P.O. Box 187, Al-Dakhli Market, Postal Code 15252, State of Kuwait.

The Company’s interim condensed financial information for the nine month period ended 30 September 2021 was authorized for issue by the Board of Directors on 27 October 2021

**2. Basis of preparation**

This interim condensed financial information has been prepared in accordance with the IAS 34 “Interim Financial Reporting”. It does not include all the information required for preparation of complete financial information in accordance with the International Financial Reporting Standards (“IFRSs”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s interim condensed financial position and performance since the last annual audited financial statements. So, please refer to the Company's last annual audited financial statements for the financial year ended 31 December 2020 (“last annual financial statements”).

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation have been included. The operating results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021. For further information, refer to the Company's annual audited financial statements for the financial year ended 31 December 2020.



**Notes to Interim Condensed Financial Information (Unaudited)**  
**For the Nine Month Period Ended 30 September 2021**

**2. Basis of preparation (continued)**

**Significant accounting policies**

The accounting policies used in the preparation of this interim condensed financial information are consistent with those used in the preparation of annual financial statements for the financial year ended 31 December 2020. Certain amendments are effective from 1 January 2021 but do not have a material effect on the Company's interim condensed financial information.

**Use of judgements and estimates**

In preparing this interim condensed financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in adopting the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

The Company has established a control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further details about the assumptions made in measuring fair value are included in note 10.

**3. Cash and cash equivalents**

	30 September 2021	(Audited) 31 December 2020	30 September 2020
	KD	KD	KD
Cash and bank balances	756,908	668,821	514,773
Short term deposits	9,039,699	10,766,523	10,729,741
Restricted bank balances	785,690	505,961	513,388
Cash on hand and at banks	10,582,297	11,941,305	11,757,902
Less: restricted bank balances	(785,690)	(505,961)	(513,388)
Cash and cash equivalents	9,796,607	11,435,344	11,244,514

- The effective profit rate on short term deposits is 1.76% per annum (31 December 2020: 1.37% to 3.5%, and 30 September 2020: 1.38% to 3% per annum).
- Restricted bank balances represent bank accounts restricted in favor of Kuwait Clearing Company K.S.C. ("KCC") to guarantee the brokerage operations. The authorization granted to Kuwait Clearing Company (K.S.C) to manage these bank accounts is irrevocable.

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Notes to Interim Condensed Financial Information (Unaudited)**  
**For the Nine Month Period Ended 30 September 2021**

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

	<b>30 September 2021</b>	<b>(Audited) 31 December 2020</b>	<b>30 September 2020</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Accounts receivable	308,759	252,622	298,721
Less: provision for expected credit losses	(153,647)	(153,518)	(153,518)
	155,112	99,104	145,203
Prepaid expenses	20,121	24,690	23,663
Refundable deposits	16,242	7,884	7,884
Staff receivables	54,430	26,911	33,191
	<u>245,905</u>	<u>158,589</u>	<u>209,941</u>

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

	<b>30 September 2021</b>	<b>(Audited) 31 December 2020</b>	<b>30 September 2020</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Local quoted securities	380,981	206,278	128,175
Local unquoted securities	16,707	16,707	17,307
Investment Fund	923,471	-	-
	<u>1,321,159</u>	<u>222,985</u>	<u>145,482</u>

Below is the net movement during the period on financial assets at fair value through profit or loss:

	<b>30 September 2021</b>	<b>(Audited) 31 December 2020</b>	<b>30 September 2020</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
At the beginning of the period/year	222,985	17,330	17,330
Additions	1,088,016	208,172	123,878
Change in fair value	10,158	(2,517)	4,274
At the end of the period/year	<u>1,321,159</u>	<u>222,985</u>	<u>145,482</u>

Valuation techniques of financial assets at fair value through profit or loss are disclosed in Note 10.

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

	<b>30 September 2021</b>	<b>(Audited) 31 December 2020</b>	<b>30 September 2020</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
Accounts payable	19,096	24,916	13,099
Dividends payable (Note 8)	107,467	478,939	478,972
Employees' accrued leave	55,970	47,162	55,971
Accrued expenses	-	54,054	7,473
Accrued committees' remuneration (Note 8)	-	30,000	-
Contribution to Kuwait Foundation for the Advancement of Sciences	12,722	4,075	6,612
Zakat	13,213	5,469	8,348
	<u>208,468</u>	<u>644,615</u>	<u>570,475</u>

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Notes to Interim Condensed Financial Information (Unaudited)**  
**For the Nine Month Period Ended 30 September 2021**

**7. Trading commission revenues**

The Company's trading commission revenues are as follows:

	<b>Trading Division</b>	
	<b>For the nine month</b>	
	<b>period ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>KD</b>	<b>KD</b>
Trading commission revenues	1,485,517	817,447
<b>Total revenue from contracts with customers</b>	<b>1,485,517</b>	<b>817,447</b>
<i>Type of service</i>		
Trading commission revenues— listed shares	1,467,399	769,139
Trading commission revenues— unlisted shares	18,118	48,308
<b>Total revenue from contracts with customers</b>	<b>1,485,517</b>	<b>817,447</b>
<i>Geographical markets</i>		
State of Kuwait	1,485,517	817,447
<b>Total revenue from contracts with customers</b>	<b>1,485,517</b>	<b>817,447</b>
<i>Timing of revenue recognition</i>		
Services rendered at a point in time	1,485,517	817,447
<b>Total revenue from contracts with customers</b>	<b>1,485,517</b>	<b>817,447</b>
	<b>Trading Division</b>	
	<b>For the three month</b>	
	<b>period ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>KD</b>	<b>KD</b>
Trading commission revenues	486,480	318,566
<b>Total revenue from contracts with customers</b>	<b>486,480</b>	<b>318,566</b>
<i>Type of service</i>		
Trading commission revenues— listed shares	483,515	284,092
Trading commission revenues— unlisted shares	2,965	34,474
<b>Total revenue from contracts with customers</b>	<b>486,480</b>	<b>318,566</b>
<i>Geographical markets</i>		
State of Kuwait	486,480	318,566
<b>Total revenue from contracts with customers</b>	<b>486,480</b>	<b>318,566</b>
<i>Timing of revenue recognition</i>		
Services rendered at a point in time	486,480	318,566
<b>Total revenue from contracts with customers</b>	<b>486,480</b>	<b>318,566</b>

**Notes to Interim Condensed Financial Information (Unaudited)**  
**For the Nine Month Period Ended 30 September 2021**

**8. Related party balances and transactions**

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The pricing policies and conditions for these transactions are approved by the Company management.

The related party transactions included in the interim condensed financial information are as follows:

<b>Interim condensed statement of financial position:</b>	<b>30 September 2021 KD</b>	<b>(Audited) 31 December 2020 KD</b>	<b>30 September 2020 KD</b>
<b>Balances</b>			
Accrued key management personnel compensation	-	-	4,000
Dividends payable (Note 6)	107,467	478,939	478,939
Accrued committees' remuneration (Note 6)	-	30,000	-
<b>Interim condensed statement of comprehensive income:</b>	<b>Three months ended 30 September</b>		<b>Nine months ended 30 September</b>
	<b>2021 KD</b>	<b>2020 KD</b>	<b>2021 KD</b>
			<b>2020 KD</b>
<b>Transactions</b>			
KAMCO Investment Company K.S.C.P - Shareholder			
Trading commission revenues	4,052	6,828	16,544 15,025
<b>Key management personnel compensation</b>			
Key management personnel compensation	50,000	-	50,000 -
Salaries and short-term benefits	16,200	13,732	46,600 39,462

**9. Annual General Assembly**

The annual Ordinary General Assembly of Company's Shareholders, held on 10 March 2021, approved the financial statements for the financial year ended 31 December 2020. It also approved to distribute cash dividends at an amount of KD 500,000 for the financial year ended 31 December 2020.

The annual Ordinary General Assembly of Company's Shareholders, held on 17 March 2020, approved the financial statements for the financial year ended 31 December 2019. It also approved not to distribute cash dividends for the financial year ended 31 December 2019.

**Notes to Interim Condensed Financial Information (Unaudited)**  
For the Nine Month Period Ended 30 September 2021

**10. Fair value measurement**

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

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

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

The financial assets measured at fair value in the interim condensed statement of financial position are grouped into the fair value hierarchy as follows:

<b>30 September 2021</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i><b>Financial assets at fair value through profit or loss</b></i>			
Local quoted securities	380,981	-	380,981
Local unquoted securities	-	16,707	16,707
Investment Fund	-	923,471	923,471
	<u>380,981</u>	<u>940,178</u>	<u>1,321,159</u>
<b>31 December 2020 (Audited)</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i><b>Financial assets at fair value through profit or loss</b></i>			
Local quoted securities	206,278	-	206,278
Local unquoted securities	-	16,707	16,707
	<u>206,278</u>	<u>16,707</u>	<u>222,985</u>
<b>30 September 2020</b>	<b>Level 1</b>	<b>Level 3</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<i><b>Financial assets at fair value through profit or loss</b></i>			
Local quoted securities	128,175	-	128,175
Local unquoted securities	-	17,307	17,307
	<u>128,175</u>	<u>17,307</u>	<u>145,482</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets owned by the Fund is the best bid price. These instruments are included in Level 1.

In addition to the above, financial instruments will be considered as included in level 3 as there are no observable inputs.

All other financial assets and financial liabilities carried at amortised cost approximate their fair values at the reporting date.

**Al Sharq Financial Brokerage Company K.S.C. (Closed)**  
**State of Kuwait**

**Notes to Interim Condensed Financial Information (Unaudited)**  
**For the Nine Month Period Ended 30 September 2021**

**10. Fair value measurement (continued)**

**Reconciliation of Level 3 fair value measurements:**

	<b>Financial assets at fair value through profit or loss</b>
	<b>KD</b>
<b>30 September 2021</b>	
At 1 January 2021	16,707
Additions during the Period	923,471
<b>30 September 2021</b>	<b>940,178</b>
<b>31 December 2020</b>	
At 1 January 2020	17,307
Sold during the year	(600)
<b>31 December 2020</b>	<b>16,707</b>
<b>30 September 2020</b>	
At 1 January 2020	17,307
Additions during the Period	-
<b>30 September 2020</b>	<b>17,307</b>