PALMS AGRO PRODUCTION COMPANY K.S.C.P. AND ITS SUBSIDIARY

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2023

Building a better working world

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF PALMS AGRO PRODUCTION COMPANY K.S.C.P.

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Palms Agro Production Company K.S.C.P. (the "Parent Company") and subsidiary (collectively, the "Group") as at 31 March 2023 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 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 Matters
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, nor of the Parent Company's Articles of Association and Memorandum of Incorporation, as amended, during the three-month period ended 31 March 2023 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 three-month period ended 31 March 2023 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

15 May 2023
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 31 March 2023

	Notes	***2023***	*2022*
		Three months ended 31 March	
		KD	*KD*
Revenue from contracts with customers	3	**1,074,233**	870,134
Cost of sales and services rendered		**(565,611)**	(465,232)
GROSS PROFIT		**508,622**	404,902
Selling and marketing expenses		**(282,814)**	(240,791)
Administrative expenses		**(228,197)**	(178,846)
OPERATING LOSS		**(2,389)**	(14,735)
Other income, net		**8,369**	49,041
Share of results of an associate		**34,835**	(6,263)
PROFIT BEFORE TAX		**40,815**	28,043
National Labour Support Tax (NLST)		**(1,988)**	(701)
Zakat		**(795)**	-
PROFIT FOR THE PERIOD		**38,032**	27,342
BASIC AND DILUTED EARNINGS PER SHARE	4	**0.73 Fils**	0.52 Fils

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 31 March 2023

	Three months ended 31 March	
	2023	*2022*
	KD	*KD*
PROFIT FOR THE PERIOD	**38,032**	27,342
Other comprehensive income		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(3,210)**	(3,310)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**34,822**	24,032

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2023

	Notes	*31 March 2023 KD*	*(Audited) 31 December 2022 KD*	*31 March 2022 KD*
ASSETS				
Non-current assets				
Property and equipment		**1,428,926**	1,367,947	1,435,661
Right-of-use assets		**103,593**	117,494	150,994
Investment in an associate		**245,617**	213,992	158,616
		1,778,136	1,699,433	1,745,271
Current assets				
Inventories		**1,118,587**	1,138,242	1,050,396
Biological assets		**285,209**	254,329	472,168
Trade receivables and contact assets	3	**1,324,240**	1,134,796	851,482
Prepayments and other receivables		**292,650**	336,127	340,847
Amounts due from related parties	5	**6,464**	6,464	6,464
Financial assets at fair value through profit or loss		**28,482**	37,102	44,165
Cash and short term deposits	6	**1,944,021**	2,104,248	2,379,754
		4,999,653	5,011,308	5,145,276
TOTAL ASSETS		**6,777,789**	6,710,741	6,890,547
EQUITY AND LIABILITIES				
Equity				
Share capital		**5,239,900**	5,239,900	5,239,900
Share premium		**225,000**	225,000	225,000
Treasury shares	7	**(3,573)**	(3,573)	(3,573)
Statutory reserve		**1,033,497**	1,033,497	1,033,497
Voluntary reserve		**429,242**	429,242	429,242
Foreign currency translation reserve		**53,892**	57,102	92,101
Accumulated losses		**(1,585,026)**	(1,623,058)	(1,893,318)
Total equity		**5,392,932**	5,358,110	5,122,849
Non-current liabilities				
Employees' end of service benefits		**514,629**	497,748	483,335
Lease liabilities		**74,292**	76,389	128,966
		588,921	574,137	612,301
Current liabilities				
Lease liabilities		**46,580**	49,101	55,478
Trade and other payables		**659,511**	636,095	1,034,861
Contract liabilities	3	**89,845**	93,298	65,058
		795,936	778,494	1,155,397
TOTAL LIABILITIES		**1,384,857**	1,352,631	1,767,698
TOTAL EQUITY AND LIABILITIES		**6,777,789**	6,710,741	6,890,547

شركة النخيل للإنتاج الزراعي
PALMS AGRO PRODUCTION CO.

Abdulmoghni Abdullah Al-Abdulmoghni
Chairman

Waleed Ahmad Dawoud Al Ablani
Vice Chairman & CEO

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2023

	Share capital KD	*Share premium KD*	*Treasury shares KD*	*Statutory reserve KD*	*Voluntary reserve KD*	*Foreign currency translation reserve KD*	*Accumulated losses KD*	*Total equity KD*
As at 1 January 2023 (*audited*)	**5,239,900**	**225,000**	**(3,573)**	**1,033,497**	**429,242**	**57,102**	**(1,623,058)**	**5,358,110**
Profit for the period	-	-	-	-	-	-	38,032	38,032
Other comprehensive loss	-	-	-	-	-	(3,210)	-	(3,210)
Total comprehensive (loss) income for the period	-	-	-	-	-	(3,210)	38,032	34,822
At 31 March 2023	**5,239,900**	**225,000**	**(3,573)**	**1,033,497**	**429,242**	**53,892**	**(1,585,026)**	**5,392,932**
As at 1 January 2022 *(audited)*	5,239,900	225,000	(3,573)	1,033,497	429,242	95,411	(1,920,660)	5,098,817
Loss for the period	-	-	-	-	-	-	27,342	27,342
Other comprehensive income	-	-	-	-	-	(3,310)	-	(3,310)
Total comprehensive (loss) income for the period	-	-	-	-	-	(3,310)	27,342	24,032
At 31 March 2022	5,239,900	225,000	(3,573)	1,033,497	429,242	92,101	(1,893,318)	5,122,849

The attached notes 1 to 10 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2023

	Notes	*Three months ended 31 March*	
		2023	*2022*
		KD	*KD*
OPERATING ACTIVITIES			
Profit before tax		**40,815**	28,043
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property and equipment		**57,468**	51,293
Depreciation of right-of-use assets		**13,901**	14,466
Murabaha income		**(17,877)**	-
Gain on disposal of property and equipment		-	(1,600)
Allowance for (reversal of) provision for ECL on trade receivables and contract assets	3	**37,037**	(183,847)
Allowance for (reversal of) provision for ECL on retention receivables		**7,712**	(16,494)
(Reversal of) provision for obsolete and slow-moving inventories		**(22,927)**	14,430
Write off of biological assets		**5,869**	15,538
Changes in fair value of biological assets		**(20,934)**	(18,996)
Share of results of an associate		**(34,835)**	6,263
Changes in fair value of financial assets at fair value through profit or loss		**8,620**	7,085
Interest expense on lease liabilities		**1,412**	2,188
Provision for employees' end of service benefits		**22,673**	94,192
		98,934	12,561
Working capital changes:			
Inventories		**42,582**	28,792
Biological assets		**(15,815)**	8,966
Trade receivables and contract assets		**(226,481)**	399,363
Prepayments and other receivables		**35,765**	187,933
Amounts due from related parties		-	(1,325)
Trade and other payables		**20,653**	(170,456)
Contract liabilities		**(3,453)**	-
Cash flow (used in) from operations		**(47,815)**	465,834
Employees' end of service benefits paid		**(5,792)**	(168,497)
Net cash flows (used in) from operating activities		**(53,607)**	297,337
INVESTING ACTIVITIES			
Purchase of property and equipment		**(118,447)**	(3,397)
Proceeds from disposal of property and equipment		-	1,600
Murabaha income received		**17,877**	-
Net cash flows used in investing activities		**(100,570)**	(1,797)
FINANCING ACTIVITIES			
Dividends paid		**(20)**	(807)
Payment of lease liabilities		**(6,030)**	(3,500)
Net cash flows used in financing activities		**(6,050)**	(4,307)
NET (DECREASE) INCREASE IN CASH AND SHORT TERM DEPOSITS		**(160,227)**	291,233
Cash and short term deposits at 1 January		**2,104,248**	2,088,521
CASH AND SHORT TERM DEPOSITS AT 31 MARCH	6	**1,944,021**	2,379,754
Non-cash transactions excluded from the statement of cash flows:			
Additions to right-of-use assets		-	(1,725)
Additions to lease liabilities		-	1,725

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Palms Agro Production Company K.S.C.P. (the "Parent Company") and its subsidiary (collectively, the "Group") for the three months ended 31 March 2023 was authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 15 May 2023.

The annual general assembly meeting ("AGM") of the Parent Company for the year ended 31 December 2022 has not been held yet. Accordingly, the shareholders of the Parent Company have not yet approved the consolidated financial statements for the year ended 31 December 2022. The interim condensed consolidated financial information for the three months ended 31 March 2023 do not include any adjustments, which might have been required.

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 Al Rai, 4th ring road, plot #56 and its registered postal address is P.O. Box 1976, Safat 13020, State of Kuwait.

The Group principally operates in Kuwait and engages in import and export business of agricultural supplies, the execution of agricultural contracting work, establishment and management all types of nurseries and farms, reclamation and development of agricultural land, landscape gardening and ornamentation of public places and cities, utilising of financial surplus available to the Parent Company through investing it in portfolios managed by specialised companies and entities, import and circulation of veterinary medicines and concluding agency agreements, inaugurating and operation of veterinary clinics and centres and practicing the professional of veterinary medicine, trading in the Kuwait stock exchange, breeding and trading of chicken and eggs and execution of construction contracts work.

The Parent Company is a subsidiary of Bayan Holding Company K.S.C. (the "Ultimate Parent Company").

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 has been prepared in accordance with International Accounting Standard 34: *"Interim Financial Reporting"* ("IAS 34"). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The Directors 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 has been presented in Kuwaiti Dinar ("KD"), which is also the functional currency of the Parent Company.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with the International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

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 2022, except for the adoption of new standards effective as of 1 January 2023. 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 2023, but do not have an impact on the interim condensed consolidated financial information of the Group.

Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the interim condensed consolidated financial information.

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)

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial information, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

3.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers based on type of sales and services.

	Three months ended 31 March	
	2023	*2022*
	KD	*KD*
Type of goods or service		
Sale of goods	**577,784**	624,452
Rendering of services		
- Plantation projects	**496,449**	245,682
Total revenue from contracts with customers	**1,074,233**	870,134
Geographical markets		
Kuwait	**1,074,233**	870,134
Timing of revenue recognition		
Goods and services transferred at a point in time	**577,784**	624,452
Goods and services transferred over time	**496,449**	245,682
	1,074,233	870,134

3 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

3.2 Trade receivables and contract balances

	31 March 2023 KD	*(Audited) 31 December 2022 KD*	*31 March 2022 KD*
Trade receivables	**1,348,403**	1,441,995	1,178,466
Allowance for expected credit losses	**(566,680)**	(529,017)	(477,133)
	781,723	912,978	701,333
Contract assets	**553,566**	233,493	184,006
Allowance for expected credit losses	**(11,049)**	(11,675)	(33,857)
	542,517	221,818	150,149
	1,324,240	1,134,796	851,482

Contract assets relate to revenue earned from ongoing plantation project services. As such, the balances of this account vary and depend on the number of ongoing plantation project services at the reporting date.

Contract liabilities amounting to KD 89,845 (31 December 2022: KD 93,298 31 March 2022: KD 65,058) include short-term advances received to render plantation project services.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

	Three months ended 31 March	
	2023 KD	*2022 KD*
As at 1 January	**540,692**	694,837
Allowance for (reversal of) provision for expected credit losses	**37,037**	(183,847)
As at 31 March	**577,729**	510,990

4 EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the profit 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 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.

	Three months ended 31 March	
	2023	*2022*
Profit for the period (KD)	**38,032**	27,342
Weighted average number of ordinary shares outstanding during the period (shares)*	**52,315,800**	52,315,800
Basic and diluted EPS per share (Fils)	**0.73**	0.52

4 EARNINGS PER SHARE (EPS) (continued)

* 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 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 RELATED PARTY DISCLOSURES

The Group's related parties include its associates and joint ventures, major shareholders, entities under common control, directors and executive officers of the Group, close members of their families and entities 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 Group's management.

The following tables provides the total amount of outstanding balances with related parties as at 31 March 2023, 31 December 2022 and 31 March 2022:

Interim condensed consolidated statement of financial position

	Associate KD	*Other related parties KD*	***31 March 2023 KD***	*(Audited) 31 December 2022 KD*	*31 March 2022 KD*
Amounts due from related parties	**6,464**	**-**	**6,464**	6,464	6,464
Financial assets at FVPL	**-**	**9,565**	**9,565**	18,185	44,165

As at the reporting date, the Group has gross receivables from the Ultimate Parent Company of KD 8,911 (31 December 2022: KD 8,911 and 31 March 2022: KD 8,911) for which the Group has made a full provision against. The balance at the reporting date is Nil.

Key management personnel

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 outstanding balances related to key management personnel were as follows.

	Transaction values for the three months ended		*Balance outstanding as at*		
	31 March 2023 KD	*31 March 2022 KD*	***31 March 2023 KD***	*(Audited) 31 December 2022 KD*	*31 March 2022 KD*
Salaries and other short-term benefits	**12,000**	12,000	**11,475**	9,768	4,552
Employees end of service benefits	**3,420**	3,438	**11,475**	9,762	4,570
	15,420	15,438	**22,950**	19,530	9,122

The Board of Directors at the meeting held on 6th April 2023 has not proposed any directors' remuneration for the year ended 31 December 2022. The remuneration is subject to the approval of the shareholders of the Parent Company at the AGM.

6 CASH AND SHORT TERM DEPOSITS

For the purpose of the interim condensed consolidated statement of cash flows, cash and short term deposits are comprised of the following:

	31 March 2023 KD	*(Audited) 31 December 2022 KD*	*31 March 2022 KD*
Cash at banks	**420,910**	582,374	2,359,048
Cash on hand	**12,595**	11,350	10,150
Short-term deposits	**1,500,000**	1,500,000	-
Cash held in managed portfolios	**10,516**	10,524	10,556
	1,944,021	2,104,248	2,379,754

Short-term deposits are placed with a local bank for a period of six to twelve months (Dec 2022: six to twelve months). These deposits are denominated in Kuwaiti Dinars and earn interest at an average rate of 4.75% per annum (Dec 2022: 4.75%).

7 TREASURY SHARES

	31 March 2023	*(Audited) 31 December 2022*	*31 March 2022*
Number of treasury shares	**83,200**	83,200	83,200
Percentage of issued share capital	**0.16%**	0.16%	0.16%
Cost – KD	**3,573**	3,573	3,573
Market value – KD	**6,822**	6,490	6,822

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 CONTINGENCIES

Legal claim contingency
The Group is involved in several unresolved legal claims in the ordinary course of business which are deemed insignificant by the management. The Group’s legal counsel’s opinion is that it is possible, but not probable, that the court ruling may be in favour of the claimant. Accordingly, no provision for any claims has been made in this interim condensed consolidated financial information.

Other contingent liabilities
At the reporting date, the Group has provided guarantees to an unrelated party towards the performance of certain contracts amounting to KD 1,569,056 (31 December 2022: KD 1,471,556 and 31 March 2022: KD 1,889,123). No material liability is expected to arise.

9 SEGMENT INFORMATION

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

- **Commercial:** production and sale of nurseries and ornamental plans
- **Projects:** gardening and maintenance services
- **Investments:** investment in an associate, term deposits and equity securities

	31 March 2023				
	Commercial KD	***Projects KD***	***Investment KD***	***Unallocated KD***	***Total KD***
Assets	**3,915,604**	**1,088,161**	**1,774,024**	**-**	**6,777,789**
Liabilities	**1,075,209**	**309,648**	**-**	**-**	**1,384,857**
Income	**688,940**	**406,227**	**44,092**	**-**	**1,139,259**
Expenses	**745,519**	**308,176**	**44,749**	**-**	**1,098,444**
Segment results	**(56,579)**	**98,051**	**(657)**	**-**	**40,815**
Other disclosures:					
Depreciation of property and equipment	**56,210**	**1,258**	**-**	**-**	**57,468**
Depreciation of right-of-use assets	**12,851**	**1,050**	**-**	**-**	**13,901**
Capital expenditure	**118,000**	**447**	**-**	**-**	**118,447**

	31 March 2022				
	Commercial KD	*Projects KD*	*Investment KD*	*Unallocated KD*	*Total KD*
Assets	5,270,956	1,416,810	202,781	-	6,890,547
Liabilities	1,108,533	658,464	-	701	1,767,698
Income	710,841	179,889	(13,348)	-	877,382
Expenses	734,023	101,645	13,671	-	849,339
Segment results	(23,182)	78,244	(27,019)	(701)	27,342
Other disclosures:					
Depreciation of property and equipment	49,995	1,298	-	-	51,293
Depreciation of right-of-use assets	12,851	1,050	-	-	13,901
Capital expenditure	3,397	-	-	-	3,397

9 SEGMENT INFORMATION (continued)

	31 December 2022 (Audited)				
	Commercial KD	*Projects KD*	*Investment KD*	*Unallocated KD*	*Total KD*
Assets	4,090,756	858,368	1,761,617	-	6,710,741
Liabilities	1,032,435	320,196	-	-	1,352,631

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

All 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:

Fair value hierarchy

- 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 financial 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:

Listed investment in equity securities
Fair values of publicly traded equity securities are based on quoted market prices in an active market for identical assets without any adjustments. The Group classifies the fair value of these investments as Level 1 of the hierarchy.

Other financial assets and liabilities at amortised cost
Fair value of financial instruments at amortised cost 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. The fair value of financial assets and financial liabilities with a demand feature is not less than its face value.

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