

**National International Holding Company K.S.C.P.
And its subsidiaries
State of Kuwait**

**Interim Condensed Consolidated Financial Information
And Review Report
For the three months period ended 31 March 2020
(Unaudited)**

National International Holding Company K.S.C.P.
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information
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(Unaudited)

INDEX	Page
Review Report on Interim Condensed Consolidated Financial Information	
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	1
Interim Condensed Consolidated Statement of Income (Unaudited)	2
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	3
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	4
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	5
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	6-13

National International Holding Company K.S.C.P.

State of Kuwait

Report on Review of Interim Condensed Consolidated Financial Information to the Board of Directors

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of National International Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2020, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months period then ended. The Parent Company's management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". 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 International Accounting Standard No. (34) "Interim Financial Reporting".

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 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, the executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Group or on its consolidated financial position.



Talal Yousef Al-Muzaini

Licence No. 209 A

Deloitte & Touche, Al-Wazzan & Co.

Kuwait, 15 August 2020

National International Holding Company K.S.C.P.
And its subsidiaries
State of Kuwait


Interim Condensed Consolidated Statement of Financial Position as at 31 March 2020
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Notes	31 March 2020	31 December 2019 (Audited)	31 March 2019
Assets				
Cash and cash equivalents	5	624,406	1,079,539	805,261
Accounts receivable and other assets		1,816,337	2,022,618	1,996,079
Inventories		823,892	725,710	896,145
Investments at fair value through profit or loss	6	3,004,091	3,004,091	3,325,239
Investments at fair value through OCI	7	13,875,006	13,992,845	14,277,894
Investments in debt instruments at amortized cost	8	8,550,656	8,550,656	8,396,963
Investment in associates	9	14,289,698	15,056,194	13,988,584
Investment properties		4,042,191	4,042,191	4,613,130
Property and equipment		4,436,953	4,282,686	4,030,254
Total assets		51,463,230	52,756,530	52,329,549
Liabilities and equity				
Liabilities				
Bank facilities	10	2,663,063	3,192,481	3,121,868
Accounts payable and other liabilities		3,824,862	3,894,429	3,520,051
Total liabilities		6,487,925	7,086,910	6,641,919
Equity				
Share capital		21,687,750	21,687,750	21,687,750
Share premium		2,813,184	2,813,184	2,813,184
Statutory reserve		1,136,639	1,136,639	950,889
Fair value reserve		11,106,750	11,260,990	11,630,321
Treasury shares	11	(1,906,792)	(1,906,792)	(1,906,792)
Treasury shares reserve		318,561	318,561	318,561
Group's share in associates' reserves		(347,508)	(476,497)	-
Retained earnings		4,496,033	5,209,334	5,189,308
Equity attributable to the shareholders of the Parent Company		39,304,617	40,043,169	40,683,221
Non-controlling interests		5,670,688	5,626,451	5,004,409
Total equity		44,975,305	45,669,620	45,687,630
Total liabilities and equity		51,463,230	52,756,530	52,329,549

The accompanying notes form an integral part of this interim condensed consolidated financial information.


Abdul Wahab Mohamed Al-Wazzan
Chairman


Mamdouh Abdul Ghani El Sherbiny
Chief Executive Officer

National International Holding Company K.S.C.P.
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income for the three months ended 31 March 2020
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Notes	Three months ended	
		31 March	
		2020	2019
Revenues			
Net investment income	12	368,847	483,469
Share of results from associates		(895,485)	73,634
Profit from operating activities		206,007	475,552
Other income		11,478	23,756
		<u>(309,153)</u>	<u>1,056,411</u>
Expenses			
Other expenses		(346,061)	(350,047)
Finance costs		(50,251)	(56,858)
		<u>(396,312)</u>	<u>(406,905)</u>
(Loss)/ profit for the period before deductions		<u>(705,465)</u>	<u>649,506</u>
Contribution to KFAS		-	(5,846)
National Labour Support Tax		-	(17,026)
Zakat		-	(3,888)
(Loss)/ profit for the period		<u>(705,465)</u>	<u>622,746</u>
Attributable to:			
Shareholders of the Parent Company		(713,301)	534,868
Non-controlling interests		7,836	87,878
		<u>(705,465)</u>	<u>622,746</u>
Basic and diluted (losses)/ earnings per share (fils)	13	<u>(3.56)</u>	<u>2.67</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

**Interim Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Three months ended	
	31 March	
	2020	2019
(Loss)/ profit for the period	<u>(705,465)</u>	<u>622,746</u>
Other comprehensive income items:		
<i>Items that are or may be reclassified subsequently to the interim condensed consolidated statement of income:</i>		
Group's share in associates' reserves	<u>182,039</u>	<u>-</u>
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of income:</i>		
Change in fair value of equity investments at fair value through other comprehensive income	<u>(117,839)</u>	<u>(166,735)</u>
Group's share in associates' reserves	<u>(53,050)</u>	<u>-</u>
	<u>(170,889)</u>	<u>(166,735)</u>
Total other comprehensive income items	<u>11,150</u>	<u>(166,735)</u>
Total comprehensive (loss)/ income for the period	<u>(694,315)</u>	<u>456,011</u>
Attributable to:		
Shareholders of the Parent Company	<u>(738,552)</u>	<u>368,133</u>
Non-controlling interests	<u>44,237</u>	<u>87,878</u>
	<u>(694,315)</u>	<u>456,011</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.

National International Holding Company K.S.C.P.
And its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Changes in Equity for the three months ended 31 March 2020
(Unaudited)

(All amounts are in Kuwaiti Dinar)

	Equity attributable to the shareholders of the Parent Company										Non- controlling interests	Total equity
	Share capital	Share premium	Statutory reserve	Fair value reserve	Treasury shares	Treasury shares reserve	Treasury shares reserve	Group's share in associates' reserves	Retained earnings	Total		
Balance as at 1 January 2020	21,687,750	2,813,184	1,136,639	11,260,990	(1,906,792)	318,561	(476,497)	5,209,334	40,043,169	5,626,451	45,669,620	
(Loss)/ profit for the period	-	-	-	-	-	-	-	(713,301)	(713,301)	7,836	(705,465)	
Other comprehensive income items for the period	-	-	-	(154,240)	-	-	128,989	-	(25,251)	36,401	11,150	
Balance as at 31 March 2020	21,687,750	2,813,184	1,136,639	11,106,750	(1,906,792)	318,561	(347,508)	4,496,033	39,304,617	5,670,688	44,975,305	
Balance as at 1 January 2019	21,687,750	2,813,184	950,889	11,797,056	(1,906,792)	318,561	-	4,654,440	40,315,088	4,916,531	45,231,619	
Profit for the period	-	-	-	-	-	-	-	534,868	534,868	87,878	622,746	
Other comprehensive income items for the period	-	-	-	(166,735)	-	-	-	-	(166,735)	-	(166,735)	
Balance as at 31 March 2019	21,687,750	2,813,184	950,889	11,630,321	(1,906,792)	318,561	-	5,189,308	40,683,221	5,004,409	45,687,630	

The accompanying notes form an integral part of this interim condensed consolidated financial information.

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

**Interim Condensed Consolidated Statement of Cash Flows for the three months ended 31 March 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Three months ended 31 March	
		2020	2019
Cash flow from operating activities			
(Loss)/ profit for the period		(705,465)	622,746
<i>Adjustments:</i>			
Share of results from associates		895,485	(73,634)
Depreciation and amortization		26,896	29,898
Provision for employees' end of service benefits		20,354	47,535
Gain from sale of property and equipment		-	(497)
Finance costs		50,251	56,858
Operating profits before changes in working capital		287,521	682,906
Accounts receivable and other assets		206,281	(329,226)
Financial assets at fair value through profit or loss		-	1,095
Inventories		(98,182)	(129,552)
Accounts payable and other liabilities		(81,437)	(195,945)
Employees' end of service benefits - paid		(4,522)	-
Net cash generated from/ (used in) operating activities		309,661	(29,278)
Cash flow from investing activities			
Paid for acquisition of associate		-	(6,302,655)
Proceeds from sale of property and equipment		-	61,739
Purchase of property and equipment		(181,163)	(22,145)
Net cash used in investing activities		(181,163)	(6,263,061)
Cash flow from financing activities			
Net changes in bank facilities		(529,418)	(383,153)
Finance costs paid		(50,251)	(56,858)
Cash dividends paid		(3,962)	-
Net cash used in financing activities		(583,631)	(440,011)
Decrease in cash and cash equivalents		(455,133)	(6,673,794)
Cash and cash equivalents at the beginning of the period		1,079,539	7,479,055
Cash and cash equivalents at the end of the period	5	624,406	805,261

The accompanying notes form an integral part of this interim condensed consolidated financial information.

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)***1. Incorporation and activities**

The Parent Company is a Kuwaiti Public Shareholding Company registered and incorporated in Kuwait on 14 January 1979 whose shares are listed on the Kuwait Stock Exchange and the Dubai Financial Market. The Parent Company is engaged in investing activities in both local and international markets as set forth in Article No. 5 of the Parent Company's Articles of Association. The Parent Company is regulated by the Capital Market Authority ("CMA").

The registered office of the Parent Company is located at Al –Raya Tower 2, Floor 45, Abdulaziz Al-Saqer Street, P.O. Box 25825 Safat Kuwait.

The interim condensed consolidated financial information includes the financial statements of the Parent Company and its subsidiaries, together referred to as "the Group" as follows:

Company Name	Country of incorporation	Principal activity	Equity interest (%)		
			31 March 2020	31 December 2019 (Audited)	31 March 2019
Al Oula National Real Estate Company <i>sole proprietorship</i>	Kuwait	Real estate activities	100	100	100
Al Ghad Project Management Company <i>sole proprietorship</i>	Kuwait	Real estate projects management	100	100	100
Al Ghad International General Trading W.L.L.	Kuwait	General Trading	100	100	100
Asoul Sukuk Musharaka for General Trading W.L.L.	Kuwait	General Trading	100	100	100
Ahlia Chemicals Company K.S.C.C. (note 18)	Kuwait	Manufacturing	62.6	62.6	62.6
Smart Wood for General Trading Company W.L.L.	Kuwait	General Trading	76	76	79

The Group has pledged 48.46% of Ahlia Chemicals Company's shares against credit facilities granted by a local bank.

This interim condensed consolidated financial information was approved for issuance by the Board of Directors in the meeting held on 15 August 2020.

2. Basis of preparation and significant accounting policies**2.1 Basis of preparation**

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. (34), "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements in accordance with International Financial Reporting Standards.

In the management's opinion, all necessary adjustments, including recurring accruals have been included in the interim condensed consolidated financial information for fair presentation. The operating results for the period ended 31 March 2020 are not necessarily indicative of results that may be expected for the year ending 31 December 2020. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2019.

2.2 Significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below:

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

2.2.1 New and amended standards adopted by the Group

The Group has adopted the new and amended standards and interpretations that became effective in the current period.

Effective for annual periods beginning on or after 1 January 2020

**Effective for
annual periods
beginning on or after
1 January 2020**

Definition of Material - Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

Definition of a Business – Amendments to IFRS 3 *Business Combinations*

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. IASB also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

Amendments to References to the Conceptual Framework in IFRS Standards

Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

IFRS 7 Financial Instruments: Disclosures and IFRS 9 – Financial Instruments

Amendments regarding pre-replacement issues in the context of the IBOR reform

Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2020 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. Fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- Level one: Quoted prices in active markets for identical financial instruments.
- Level two: Quoted prices in an active market for similar instruments. Quoted prices for identical assets or liabilities in market that are not active. Inputs other than quoted prices that are observable for assets and liabilities.
- Level three: Inputs for the asset or liabilities that are not based on observable market data.

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

5. Cash and cash equivalents	31 March 2020	31 December 2019 (Audited)	31 March 2019
Cash on hand	4,945	3,405	2,185
Cash at banks and portfolios	619,461	1,076,134	803,076
	<u>624,406</u>	<u>1,079,539</u>	<u>805,261</u>

6. Investments at fair value through profit or loss	31 March 2020	31 December 2019 (Audited)	31 March 2019
Quoted shares	1,351	1,351	371,386
Unquoted shares	3,002,740	3,002,740	2,953,853
	<u>3,004,091</u>	<u>3,004,091</u>	<u>3,325,239</u>

- Fair value hierarchy disclosures for investments are provided in Note 3.

- Investments at fair value through profit or loss include securities with fair value of KD 3,002,740 as at 31 March 2020 (KD 3,002,740- 31 December 2019, KD 3,303,139 - 31 March 2019) pledged as collateral against credit facilities granted by a local bank (note 10).

7. Investments at fair value through OCI	31 March 2020	31 December 2019 (Audited)	31 March 2019
Unquoted Foreign equity securities	12,869,693	12,727,678	12,779,367
Unquoted local equity securities	1,005,313	1,265,167	1,498,527
	<u>13,875,006</u>	<u>13,992,845</u>	<u>14,277,894</u>

Fair value hierarchy disclosures for investments are provided in Note 3.

8. Investments in debt instruments at amortized cost

- During the previous years, the Group acquired credit impaired debt instruments (sukuk) for contractual amount of KD 10.5M, the Group classified sukuk as debt instruments at amortized cost.

- The Group's management expects to obtain future cash flows over the three years from the date of acquisition amounted by KD 9,590,000. The present value of expected cash flows of the acquired debt instruments is estimated based on discount rate of 6%.

9. Investment in associates

Company's name	Country of incorporation	Ownership percentage (%)	31 March 2020	31 December 2019 (Audited)	31 March 2019
Coast Development and Investment Company	Kuwait	31.65	7,686,228	8,510,000	6,302,657
Specialties Group Holding Company	Kuwait	31.54	6,603,470	6,546,194	7,685,927
			<u>14,289,698</u>	<u>15,056,194</u>	<u>13,988,584</u>

The movement over investment in associates summarized as below:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Opening balance	15,056,194	7,612,295	7,612,295
Addition during the period/ year	-	8,798,022	6,302,655
Impairment in value	-	(1,479,391)	-
Share of results	(895,485)	601,765	73,634
Share of reserves	128,989	(476,497)	-
	<u>14,289,698</u>	<u>15,056,194</u>	<u>13,988,584</u>

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

- All investments above are accounted for using equity method in this interim condensed consolidated financial information.
- The Group's share in associates' results of KD 895,485 (losses) as at 31 March 2020 has been recorded based on the latest reviewed financial information (KD 73,634 (gains) - 31 March 2019).
- The fair value based on quoted price (level 1) for the investment in Coast Development and Investment Company and Specialties Group Holding Company is KD 4,995,000 (KD 7,307,500 – 31 December 2019, KD 6,678,500 – 31 March 2019), and KD 2,587,500 (KD 3,784,500 – 31 December 2019, KD 3,069,000 – 31 March 2019) as at 31 March 2020 respectively.
- The Group stake of 94% of its owned shares of Specialties Group Holding Company are pledged against credit facilities granted by a local bank (note 10).

10. Bank facilities

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Bank overdraft	598,673	735,775	151,798
Wakala and murabaha payable	2,064,390	2,456,706	2,970,070
	<u>2,663,063</u>	<u>3,192,481</u>	<u>3,121,868</u>

- The average interest rate on Wakala and murabaha payable is 5.6% as of 31 March 2020 (5.6% - 31 December 2019, 5.6% - 31 March 2019).
- The bank facilities are granted to the Group against the following assets:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Investments in an associate (note 9)	6,236,611	6,182,517	7,258,931
Investments at fair value through profit or loss (note 6)	3,002,740	3,002,740	3,309,444
Property and equipment	3,476,738	3,275,000	2,462,500
	<u>12,716,089</u>	<u>12,460,257</u>	<u>13,030,875</u>

- In addition to the pledge of the above assets, the Group has pledged 48.46% of the shares of Al Ahlia Chemical Company "the Subsidiary" of the Group (note 1).

11. Treasury shares

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Number of shares	16,590,207	16,590,207	16,590,207
Percentage of issued shares (%)	8	8	8
Market value (KD)	1,061,773	1,269,151	1,103,249

The Parent Company is committed to retain reserves and retained earnings equivalent to the treasury shares value throughout the period, in which they are held by the Parent Company, pursuant to the instructions of the relevant regulatory authorities. These shares are not pledged.

12. Net investment income

	Three months ended 31 March	
	2020	2019
<i>Investments at fair value through profit or loss</i>		
Dividends income	252,027	308,376
Change in fair value	-	50,336
Realised gain on sale	-	703
	<u>252,027</u>	<u>359,415</u>

**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

Investments at fair value through OCI

Dividend income

116,820

-

Investment in debt instruments at amortized cost

Gain from investments in debt instruments

-
368,847

124,054
483,469

13. Basic and diluted (losses)/ earnings per share

Basic (losses)/ earnings per share are calculated by dividing the (loss)/ profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted (losses)/ earnings per share is calculated by dividing the (loss)/ profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 March, the Parent Company has no outstanding dilutive potential ordinary shares.

The information necessary to calculate basic and diluted (losses)/ earnings per share for the three months period ended 31 March is as follows:

	Three months ended 31 March	
	2020	2019
(Loss)/ profit for the period	(713,301)	534,868
Weighted average number of outstanding ordinary shares	200,287,293	200,287,293
(losses)/ earnings per share (fils)	(3.56)	2.67

14. Related party transactions

These represent transactions with related parties that include major shareholders, directors, executive officers and key management personnel of the Group, close members of their families and companies of which they are principal owners or over which they are able to exercise control or significant influence entered into by the Group in the ordinary course of business. The Parent Company's management approves pricing policies and terms of these transactions.

Balances and transactions included in the interim condensed consolidated financial information are as follows:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Balances:			
Due from related party	-	-	353,512
			Three months ended 31 March
			2020 2019
Key management compensation:			
Salaries and other short term benefits		57,700	43,300
Employees' end of service benefits		11,957	10,455
		69,657	53,755

15. Segment information

The Group is organized into business units based on their products and services, and has two reportable operating segments as follows:

- Financial investing activities comprise participation in financial and real estate funds and managing the Group's liquidity requirements;
- Real estate investing activities comprise investing and trading in real estate and construction or development of real estate for the purpose of sale in the ordinary course of business and other related real estate services; and
- Industrial activities comprise manufacturing and selling of chemical products.

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020 (Unaudited)*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

The segment reporting information is as follows:

	Period ended 31 March 2020				Total
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	
Segments revenues	206,007	5,120	(531,758)	11,478	(309,153)
Segments expenses	(206,203)	(3,240)	(146,857)	(40,012)	(396,312)
Total segments' results	(196)	1,880	(678,615)	(28,534)	(705,465)
Segments assets	8,271,814	4,042,191	39,149,225	-	51,463,230
Segment liabilities	2,564,139	-	3,923,786	-	6,487,925
	Period ended 31 March 2019				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	475,552	-	557,103	23,756	1,056,411
Segments expenses	(206,174)	-	(154,072)	(73,419)	(433,665)
Total segments' results	269,378	-	403,031	(49,663)	622,746
Segments assets	7,561,925	4,613,130	40,154,494	-	52,329,549
Segment liabilities	2,467,373	-	-	4,174,546	6,641,919

16. Cash dividends

On 21 June 2020, the General Assembly of shareholders of the Parent Company approved the consolidated financial statements for the year ended 31 December 2019 and approved Board of Directors' proposal of distributing bonus shares 5% (Nil – 2018), cash dividends of Nil (5% - 2018) for the year ended 31 December 2019 and Board of Directors' remuneration of KD 44,000 for the same year. Procedures of amending the commercial register for capital increase by issuing bonus shares are in progress.

17. Commitments and contingent liabilities

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Letters of guarantee	291,317	293,317	276,468
Letters of credit and acceptance	129,290	161,857	206,826

18. Subsequent events

Subsequent to the financial information date, a first instance judgement has been issued to nullify a contract of acquisition of a subsidiary owned by 62.6% "after the capital increase" (note 1), also nullify the capital increase during 2016, furthermore, the decision nullify the process to call the extraordinary general assembly meeting for the same company during 2019 and the related decisions including the capital increase. The company appealed against this judgement, and the execution. Based on the lawyer opinion it is likely to annul the appealed judgment. The net carrying value of the investment in subsidiary amounted to KD 3.9 million approximately as at the date of the interim condensed consolidated financial information.

National International Holding Company K.S.C.P.

And its subsidiaries

State of Kuwait

**Notes to the Interim Condensed Consolidated Financial Information for the three months ended 31 March 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

19. Impact of COVID-19

The World Health Organization declared on 11 March 2020 the Novel Coronavirus (COVID-19) as a global pandemic. This event has caused widespread disruptions to business, with a consequential negative impact on economic activity.

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption, due to COVID-19 outbreak, on its operations and financial performance.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and no major impact reported based on the available information as at and for the period ended 31 March 2020.

The Group considered the best available information about past events, current conditions and forecasts of economic conditions in determination of the reported amounts of the Group's financial and non-financial assets reported in this interim condensed consolidated financial information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.