

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the six months period ended 30 June 2020
(Unaudited)**

National International Holding Company K.S.C.P.
And its subsidiaries
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Interim Condensed Consolidated Financial Information
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(Unaudited)

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

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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 30 June 2020, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six 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 six months period ended 30 June 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 30 June 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	30 June 2020	31 December 2019 (Audited)	30 June 2019
Assets				
Cash and cash equivalents	5	656,204	1,079,539	335,295
Accounts receivable and other assets		1,763,086	2,022,618	2,517,376
Inventories		893,595	725,710	923,779
Investments at fair value through profit or loss	6	3,004,091	3,004,091	3,309,959
Investments at fair value through OCI	7	14,169,853	13,992,845	14,222,297
Investments in debt instruments at amortized cost	8	8,550,656	8,550,656	8,522,835
Investment in associates	9	13,816,768	15,056,194	13,924,908
Investment properties		3,973,848	4,042,191	4,613,130
Other assets		4,408,189	4,282,686	4,082,947
Total assets		51,236,290	52,756,530	52,452,526
Liabilities and equity				
Liabilities				
Bank facilities	10	2,812,882	3,192,481	3,047,374
Accounts payable and other liabilities		3,847,032	3,894,429	4,128,355
Total liabilities		6,659,914	7,086,910	7,175,729
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		11,348,156	11,260,990	11,574,724
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		(315,601)	(476,497)	(172,130)
Retained earnings		3,821,966	5,209,334	4,921,275
Equity attributable to the shareholders of the Parent Company		38,903,863	40,043,169	40,187,461
Non-controlling interests		5,672,513	5,626,451	5,089,336
Total equity		44,576,376	45,669,620	45,276,797
Total liabilities and equity		51,236,290	52,756,530	52,452,526

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

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**Interim Condensed Consolidated Statement of Income for the six months ended 30 June 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2020	2019	2020	2019
Revenues					
Net investment income	12	-	671,135	368,847	1,154,604
Share of results from associates		(504,837)	108,457	(1,400,322)	182,091
Profit from operating activities		74,252	326,979	280,259	802,531
Other income		21,972	193,055	33,450	216,811
		<u>(408,613)</u>	<u>1,299,626</u>	<u>(717,766)</u>	<u>2,356,037</u>
Expenses					
Other expenses		(260,915)	(397,298)	(606,976)	(747,345)
Finance costs		(56,155)	(45,446)	(106,406)	(102,304)
		<u>(317,070)</u>	<u>(442,744)</u>	<u>(713,382)</u>	<u>(849,649)</u>
(Loss)/ profit for the period before deductions					
		(725,683)	856,882	(1,431,148)	1,506,388
Contribution to KFAS		-	(7,711)	-	(13,557)
National Labour Support Tax		-	(22,042)	-	(39,068)
Zakat		-	(8,799)	-	(12,687)
(Loss)/ profit for the period		<u>(725,683)</u>	<u>818,330</u>	<u>(1,431,148)</u>	<u>1,441,076</u>
Attributable to:					
Shareholders of the Parent Company		(674,067)	733,403	(1,387,368)	1,268,271
Non-controlling interests		(51,616)	84,927	(43,780)	172,805
		<u>(725,683)</u>	<u>818,330</u>	<u>(1,431,148)</u>	<u>1,441,076</u>
Basic and diluted (losses)/ earnings per share (fils)	13	<u>(3.37)</u>	<u>3.66</u>	<u>(6.93)</u>	<u>6.33</u>

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

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**Interim Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 June 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Three months ended		Six months ended	
	30 June		30 June	
	2020	2019	2020	2019
(Loss)/ profit for the period	<u>(725,683)</u>	<u>818,330</u>	<u>(1,431,148)</u>	<u>1,441,076</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>30,113</u>	<u>(172,130)</u>	<u>212,152</u>	<u>(172,130)</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>294,847</u>	<u>(55,597)</u>	<u>177,008</u>	<u>(222,332)</u>
Group's share in associates' reserves	<u>1,794</u>	<u>-</u>	<u>(51,256)</u>	<u>-</u>
	<u>296,641</u>	<u>(55,597)</u>	<u>125,752</u>	<u>(222,332)</u>
Total other comprehensive income items	<u>326,754</u>	<u>(227,727)</u>	<u>337,904</u>	<u>(394,462)</u>
Total comprehensive (loss)/ income for the period	<u>(398,929)</u>	<u>590,603</u>	<u>(1,093,244)</u>	<u>1,046,614</u>
Attributable to:				
Shareholders of the Parent Company	<u>(400,754)</u>	<u>505,676</u>	<u>(1,139,306)</u>	<u>873,809</u>
Non-controlling interests	<u>1,825</u>	<u>84,927</u>	<u>46,062</u>	<u>172,805</u>
	<u>(398,929)</u>	<u>590,603</u>	<u>(1,093,244)</u>	<u>1,046,614</u>

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

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Interim Condensed Consolidated Statement of Changes in Equity for the six months ended 30 June 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 for the period	-	-	-	-	-	-	-	(1,387,368)	(1,387,368)	(43,780)	(1,431,148)	
Other comprehensive income items for the period	-	-	-	87,166	-	-	160,896	-	248,062	89,842	337,904	
Balance as at 30 June 2020	21,687,750	2,813,184	1,136,639	11,348,156	(1,906,792)	318,561	(315,601)	3,821,966	38,903,863	5,672,513	44,576,376	
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	-	-	-	-	-	-	-	1,268,271	1,268,271	172,805	1,441,076	
Other comprehensive income items for the period	-	-	-	(222,332)	-	-	(172,130)	-	(394,462)	-	(394,462)	
Cash dividends	-	-	-	-	-	-	-	(1,001,436)	(1,001,436)	-	(1,001,436)	
Balance as at 30 June 2019	21,687,750	2,813,184	950,889	11,574,724	(1,906,792)	318,561	(172,130)	4,921,275	40,187,461	5,089,336	45,276,797	

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

**Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2020
(Unaudited)**

(All amounts are in Kuwaiti Dinar)

	Notes	Six months ended	
		30 June	
		2020	2019
Cash flow from operating activities			
(Loss)/ profit for the period		(1,431,148)	1,441,076
<i>Adjustments:</i>			
Share of results from associates		1,400,322	(182,091)
Depreciation and amortization		87,259	58,278
Profits from sale of property and equipment		-	(497)
Provision for employees' end of service benefits		35,205	77,827
Finance costs		106,406	102,304
Operating profits before changes in working capital		198,044	1,496,897
Accounts receivable and other assets		259,532	(998,528)
Investments at fair value through profit or loss		-	38,508
Inventories		(167,885)	(157,186)
Accounts payable and other liabilities		(5,625)	(359,755)
Employees' end of service benefits- Paid		(4,672)	-
Net cash generated from operating activities		279,394	19,936
Cash flow from investing activities			
Paid for acquisition of associate		-	(6,302,652)
Proceeds from sale of property and equipment		-	62,970
Purchase of property and equipment		(212,762)	(31,158)
Net cash used in investing activities		(212,762)	(6,270,840)
Cash flow from financing activities			
Net changes in bank facilities		(379,599)	(457,647)
Finance costs paid		(106,406)	(102,304)
Cash dividends paid		(3,962)	(332,905)
Net cash used in financing activities		(489,967)	(892,856)
Decrease in cash and cash equivalents		(423,335)	(7,143,760)
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	656,204	335,295

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

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 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 information of the Parent Company and its subsidiaries, together referred to as "the Group" as follows:

Company Name	Country of incorporation	Principal activity	Equity interest (%)		
			30 June 2020	31 December 2019 (Audited)	30 June 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 30 June 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.

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 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**

Definition of Material - Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* 1 January 2020

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* 1 January 2020

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 1 January 2020

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 1 January 2020

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 value 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.

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)**Impairment of associates*

The Group has considered the potential impact of the current economic volatility in the determination of the reported amounts of the Group's investment in associates. Management considered the performance outlook and business operation, along with the fair value of the underlying assets of the CGU to determine whether the carrying amount does not exceed the recoverable amount. Accordingly the management believe that there are no significant uncertainties around the investment in associates and concluded that there is no material impact of COVID -19.

Revaluation of investment properties

The Group recognizes the investment properties at fair value and changes in fair value are included in the consolidated statement of income. The Group estimated the fair value as at 30 June 2020 using the external valuer for properties located in Kuwait. Management believe that there is no material impact as at 30 June 2020.

Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but as on the date of issue of this interim financial information, the projections show that Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from 31 December 2019. As a result, this interim condensed consolidated financial information has been appropriately prepared on a going concern basis.

5. Cash and cash equivalents

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Cash on hand	990	3,405	2,285
Cash at banks and portfolios	655,214	1,076,134	333,010
	<u>656,204</u>	<u>1,079,539</u>	<u>335,295</u>

6. Investments at fair value through profit or loss

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Quoted shares	1,351	1,351	356,122
Unquoted shares	3,002,740	3,002,740	2,953,837
	<u>3,004,091</u>	<u>3,004,091</u>	<u>3,309,959</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 30 June 2020 (KD 3,002,740 - 31 December 2019, KD 3,309,444 - 30 June 2019) pledged as collateral against credit facilities granted by a local bank (note 10).

7. Investments at fair value through OCI

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Unquoted Foreign securities	13,088,113	12,727,678	12,723,768
Unquoted local securities	1,081,740	1,265,167	1,498,529
	<u>14,169,853</u>	<u>13,992,845</u>	<u>14,222,297</u>

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

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***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 (%)	30 June 2020	31 December 2019 (Audited)	30 June 2019
Coast Development and Investment Company	Kuwait	31.65	7,145,528	8,510,000	6,078,593
Specialties Group Holding Company	Kuwait	31.54	6,671,240	6,546,194	7,846,315
			<u>13,816,768</u>	<u>15,056,194</u>	<u>13,924,908</u>

The movement over investment in associates summarized as below:

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Opening balance	15,056,194	7,612,295	7,612,295
Addition during the period/ year	-	8,798,022	6,302,652
Impairment in value	-	(1,479,391)	-
Share of results	(1,400,322)	601,765	182,091
Share of reserves	160,896	(476,497)	(172,130)
	<u>13,816,768</u>	<u>15,056,194</u>	<u>13,924,908</u>

- 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 1,400,322 (losses) as at 30 June 2020 has been recorded based on the reviewed financial information (KD 182,091 (gains) as at 30 June 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 5,772,000 (KD 7,307,500 – 31 December 2019, KD 6,808,000 – 30 June 2019) and 3,015,000 (KD 3,784,500 – 31 December 2019, KD 3,060,000 – 30 June 2019) as at 30 June 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

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Bank overdraft	711,743	735,775	215,420
Wakala and murabaha payable	2,101,139	2,456,706	2,831,954
	<u>2,812,882</u>	<u>3,192,481</u>	<u>3,047,374</u>

- The average interest rate on Wakala and murabaha payable is 5.6% as of 30 June 2020 (5.6% - 31 December 2019, 5.6% - 30 June 2019).
- The bank facilities are granted to the Group against the following assets:

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Investments in an associate (note 9)	6,270,966	6,153,422	7,224,771
Investments at fair value through profit or loss (note 6)	3,002,740	3,002,740	3,309,444
Property and equipment	3,466,781	3,275,000	2,462,500
	<u>12,740,487</u>	<u>12,431,162</u>	<u>12,996,715</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).

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Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2020**(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***11. Treasury shares**

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Number of shares	16,590,207	16,590,207	16,590,207
Percentage of issued shares (%)	8	8	8
Market value (KD)	1,144,724	1,269,151	962,232

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 30 June		Six months ended 30 June	
	2020	2019	2020	2019
<i>Investments at fair value through profit or loss</i>				
Dividends income	-	7,191	252,027	315,567
Change in fair value	-	14,102	-	64,436
Realised gain on sale	-	840	-	1,543
	-	22,133	252,027	381,546
<i>Investments at fair value through other comprehensive income</i>				
Dividend income	-	523,130	116,820	523,130
<i>Investments in debt instruments at amortized cost</i>				
Gain from investments in debt instruments	-	125,872	-	249,928
	-	671,135	368,847	1,154,604

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 30 June, the Parent Company has no outstanding dilutive potential ordinary shares.

The information necessary to calculate basic and diluted (losses)/ earnings per share for the six months period ended 30 June is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
(Loss)/ profit for the period	(674,067)	733,403	(1,387,368)	1,268,271
Weighted average number of outstanding ordinary shares (share)	200,287,293	200,287,293	200,287,293	200,287,293
(Losses)/ earnings per share (fils)	(3.37)	3.66	(6.93)	6.33

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.

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2020
(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)*

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

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Balances:			
Due from related party	-	-	353,512

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Key management compensation:				
Salaries and other short term benefits	22,900	63,300	80,600	106,600
Employees' end of service benefits	11,988	13,400	23,913	23,855
	<u>34,888</u>	<u>76,700</u>	<u>104,513</u>	<u>130,455</u>

15. Segment information

The Group is organized into business units based on their products and services, and has three 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.

The segment reporting information is as follows:

	Period ended 30 June 2020				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	280,259	22,970	(1,031,475)	10,480	(717,766)
Segments expenses	(364,571)	(4,614)	(256,313)	(87,884)	(713,382)
Total segments' results	<u>(84,312)</u>	<u>18,356</u>	<u>(1,287,788)</u>	<u>(77,404)</u>	<u>(1,431,148)</u>
Segments assets	8,370,869	3,973,848	38,891,573	-	51,236,290
Segment liabilities	2,797,301	-	3,862,613	-	6,659,914
	Period ended 30 June 2019				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	802,531	-	1,336,695	216,811	2,356,037
Segments expenses	(424,992)	-	(342,580)	(147,389)	(914,961)
Total segments' results	<u>377,539</u>	<u>-</u>	<u>994,115</u>	<u>69,422</u>	<u>1,441,076</u>
Segments assets	6,883,920	4,613,130	40,869,031	86,445	52,452,526
Segment liabilities	2,263,635	-	-	4,912,094	7,175,729

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.

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

17. Commitments and contingent liabilities	30 June 2020	31 December 2019 (Audited)	30 June 2019
Letters of guarantee	281,317	293,317	286,468
Letters of credit and acceptance	67,226	161,857	75,167

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.

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 incorporated the outcome in these interim condensed consolidated financial statements and explained the changes related to valuation estimates and judgements, and impairment of associate as at and for the period ended 30 June 2020 (note 4).

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.