

**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 2022  
(Unaudited)**

**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 2022  
(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 2022, 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 2022 that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No. 7 of 2010, concerning the Capital Markets Authority and its related regulations, as amended, during the six-month period ended 30 June 2022, that might have had a material effect on the business of the Group or on its consolidated financial position.



**Talal Y. Al-Muzaini**

Licence No. 209 A

Deloitte & Touche, Al-Wazzan & Co.

Kuwait, 28 July 2022

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

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**Interim Condensed Consolidated Statement of Financial Position as at 30 June 2022****(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	30 June 2022	31 December 2021 (Audited)	30 June 2021
<b>Assets</b>				
Cash and cash equivalents	4	1,087,313	1,529,660	555,148
Accounts receivable and other assets	5	3,385,975	2,488,044	3,542,899
Inventories		927,852	617,060	638,722
Investments at fair value through profit or loss	6	5,706,854	5,196,535	2,713,899
Investments at fair value through OCI	7	16,728,103	17,445,254	13,341,847
Investments in debt instruments at amortized cost	8	9,567,166	9,292,453	8,550,656
Investment in associates	9	13,293,195	13,639,644	12,212,229
Investment properties	10	345,999	953,788	1,433,576
Property and equipment		4,703,409	4,708,819	4,727,201
<b>Total assets</b>		<b>55,745,866</b>	<b>55,871,257</b>	<b>47,716,177</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Bank facilities	11	3,288,073	2,708,533	2,802,272
Accounts payable and other liabilities	12	6,297,870	5,951,720	3,127,599
<b>Total liabilities</b>		<b>9,585,943</b>	<b>8,660,253</b>	<b>5,929,871</b>
<b>Equity</b>				
Share capital		22,772,138	22,772,138	22,772,138
Share premium		2,813,184	2,813,184	2,813,184
Statutory reserve		1,322,233	1,322,233	1,136,639
Fair value reserve		10,563,094	11,253,231	10,720,180
Treasury shares	13	(1,540,240)	(1,539,404)	(1,870,748)
Treasury shares reserve		490,638	490,638	315,569
Group's share in associates' reserves		(283,976)	(328,110)	(172,007)
Retained earnings		2,031,201	2,002,419	468,174
<b>Equity attributable to the shareholders of the Parent Company</b>		<b>38,168,272</b>	<b>38,786,329</b>	<b>36,183,129</b>
Non-controlling interests		7,991,651	8,424,675	5,603,177
<b>Total equity</b>		<b>46,159,923</b>	<b>47,211,004</b>	<b>41,786,306</b>
<b>Total liabilities and equity</b>		<b>55,745,866</b>	<b>55,871,257</b>	<b>47,716,177</b>

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 2022  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
<b>Revenues</b>					
Net investment (loss) / income	14	(216,294)	-	795,923	84,009
Group share of results from associates		608,303	(87)	691,842	53,197
Profit from operating activities		728,300	807,857	1,629,346	1,668,710
Net loss from investment properties	10	(19,196)	(24,034)	(25,449)	(24,034)
Other income		5,509	144,794	16,036	150,561
		<u>1,106,622</u>	<u>928,530</u>	<u>3,107,698</u>	<u>1,932,443</u>
<b>Expenses</b>					
Cost of sales from operating activities		520,030	550,070	1,237,535	1,114,623
Other expenses		378,117	283,627	730,937	605,913
Finance costs		39,012	37,843	73,043	73,119
		<u>937,159</u>	<u>871,540</u>	<u>2,041,515</u>	<u>1,793,655</u>
<b>Profit for the period before deductions</b>		<u>169,463</u>	<u>56,990</u>	<u>1,066,183</u>	<u>138,788</u>
Contribution to KFAS		6,143	6	(2,064)	-
National Labour Support Tax		18,247	(1,377)	(5,136)	(3,205)
Zakat		7,632	(442)	(1,150)	(442)
<b>Net Profit for the period</b>		<u>201,485</u>	<u>55,177</u>	<u>1,057,833</u>	<u>135,141</u>
<b>Attributable to:</b>					
Shareholders of the Parent Company		218,546	22,069	1,098,295	74,102
Non-controlling interests		<u>(17,061)</u>	<u>33,108</u>	<u>(40,462)</u>	<u>61,039</u>
		<u>201,485</u>	<u>55,177</u>	<u>1,057,833</u>	<u>135,141</u>
Basic and diluted earnings per share (fils)	15	<u>1</u>	<u>0.1</u>	<u>5</u>	<u>0.3</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 2022  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Net Profit for the period</b>	<u>201,485</u>	<u>55,177</u>	<u>1,057,833</u>	<u>135,141</u>
<b>Other comprehensive (loss) / income items:</b>				
<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>121,858</u>	<u>(322,903)</u>	<u>40,431</u>	<u>(327,025)</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>(990,693)</u>	<u>(38,287)</u>	<u>(1,082,699)</u>	<u>(669,636)</u>
Group's share in associates' reserves	<u>(79,836)</u>	<u>(4,592)</u>	<u>3,703</u>	<u>(4,592)</u>
	<u>(1,070,529)</u>	<u>(42,879)</u>	<u>(1,078,996)</u>	<u>(674,228)</u>
Total other comprehensive loss items	<u>(948,671)</u>	<u>(365,782)</u>	<u>(1,038,565)</u>	<u>(1,001,253)</u>
<b>Total comprehensive (loss) / income for the period</b>	<u>(747,186)</u>	<u>(310,605)</u>	<u>19,268</u>	<u>(866,112)</u>
<b>Attributable to:</b>				
Shareholders of the Parent Company	<u>(346,695)</u>	<u>(379,748)</u>	<u>452,292</u>	<u>(811,801)</u>
Non-controlling interests	<u>(400,491)</u>	<u>69,143</u>	<u>(433,024)</u>	<u>(54,311)</u>
	<u>(747,186)</u>	<u>(310,605)</u>	<u>19,268</u>	<u>(866,112)</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 2022  
(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	Group's share in associates' reserves	Retained earnings			Total
<b>Balance as at 1 January 2021</b>	22,772,138	2,813,184	1,136,639	11,265,894	(1,906,792)	318,561	159,610	402,644	36,961,878	5,657,488	42,619,366
Net profit for the period	-	-	-	-	-	-	-	74,102	74,102	61,039	135,141
Other comprehensive loss items	-	-	-	(554,286)	-	-	(331,617)	-	(885,903)	(115,350)	(1,001,253)
Sale of financial assets at FVTOCI	-	-	-	8,572	-	-	-	(8,572)	-	-	-
Sale of treasury shares	-	-	-	-	36,044	(2,992)	-	-	33,052	-	33,052
<b>Balance as at 30 June 2021</b>	<b>22,772,138</b>	<b>2,813,184</b>	<b>1,136,639</b>	<b>10,720,180</b>	<b>(1,870,748)</b>	<b>315,569</b>	<b>(172,007)</b>	<b>468,174</b>	<b>36,183,129</b>	<b>5,603,177</b>	<b>41,786,306</b>
<b>Balance as at 1 January 2022</b>	<b>22,772,138</b>	<b>2,813,184</b>	<b>1,322,233</b>	<b>11,253,231</b>	<b>(1,539,404)</b>	<b>490,638</b>	<b>(328,110)</b>	<b>2,002,419</b>	<b>38,786,329</b>	<b>8,424,675</b>	<b>47,211,004</b>
Net profit for the period	-	-	-	-	-	-	-	1,098,295	1,098,295	(40,462)	1,057,833
Other comprehensive (loss) / income items	-	-	-	(690,137)	-	-	44,134	-	(646,003)	(392,562)	(1,038,565)
Purchase of treasury shares	-	-	-	-	(836)	-	-	-	(836)	-	(836)
Cash dividends (Note 18)	-	-	-	-	-	-	-	(1,069,513)	(1,069,513)	-	(1,069,513)
<b>Balance as at 30 June 2022</b>	<b>22,772,138</b>	<b>2,813,184</b>	<b>1,322,233</b>	<b>10,563,094</b>	<b>(1,540,240)</b>	<b>490,638</b>	<b>(283,976)</b>	<b>2,031,201</b>	<b>38,168,272</b>	<b>7,991,651</b>	<b>46,159,923</b>

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

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**Interim Condensed Consolidated Statement of Cash Flows for the six months ended 30 June 2022  
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Note	Six months ended 30 June	
		2022	2021
<b>Cash flow from operating activities</b>			
Net profit for the period		1,057,833	135,141
<i>Adjustments:</i>			
Net investment income		(795,923)	-
Share of results from associates		(691,842)	(53,197)
Depreciation and amortization		56,716	149,367
Net loss from investment properties		25,449	24,034
Reversal of credit losses provision		-	(78,000)
Finance costs		73,043	73,119
Provision for employees' end of service benefits		68,297	59,952
Operating (losses) / profits before changes in working capital		(206,427)	310,416
Accounts receivable and other assets		(91,436)	73,751
Financial assets at fair value through profit or loss		(297,286)	(90)
Inventories		(310,792)	9,913
Accounts payable and other liabilities		(784,477)	(79,393)
Employees' end of service benefits - paid		-	(11,164)
Net cash (used in) / generated from operating activities		(1,690,418)	303,433
<b>Cash flow from investing activities</b>			
Cash dividends received		654,640	-
Purchase of investments at FVTOCI		(436,081)	-
Proceeds from sale of investment at FVTOCI		-	2,207
Proceeds from sale of investment properties		582,340	142,298
Purchase of property and equipment		(51,306)	(232,451)
Net cash generated from / (used in) investing activities		749,593	(87,946)
<b>Cash flow from financing activities</b>			
Net changes in bank facilities		579,540	99,914
Finance costs paid		(73,043)	(72,093)
Cash dividends paid		(7,183)	(325,163)
Purchase of treasury shares		(836)	-
Proceeds from sale of treasury shares		-	33,052
Net cash generated from / (used in) financing activities		498,478	(264,290)
<b>Net change in cash and cash equivalents</b>		(442,347)	(48,803)
Cash and cash equivalents at the beginning of the period		1,529,660	603,951
<b>Cash and cash equivalents at the end of the period</b>	4	1,087,313	555,148

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 2022  
(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 (%)		
			30 June 2022	31 December 2021 (Audited)	30 June 2021
Al Ola 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
Smart Wood for General Trading Company W.L.L.	Kuwait	General Trading	54.8	54.8	76
Al Ahlia Chemicals Company K.S.C.C. (Note 11)	Kuwait	Manufacturing	62.6	62.6	62.6

The Group has pledged 48.46% of the share of Al Ahlia Chemicals Company 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 28 July 2022.

**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 2022 are not necessarily indicative of results that may be expected for the year ending 31 December 2022. For further information, refer to the consolidated financial statements and its related notes for the year ended 31 December 2021.

**2.2 Significant accounting policies**

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the amendments revised IFRS which are effective for annual reporting period starting from 1 January 2022 and did not result in any material impact on the accounting policies, financial position or performance of the Group.

The Group has not applied any standards, interpretations or amendments that have been issued but not yet effective.

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(Unaudited)**

*(All amounts are in Kuwaiti Dinar unless otherwise stated)*

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

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement. These amendments had no material impact on the interim condensed consolidated financial information of the Group as there were no significant modifications of the Group’s financial instruments during the period.

Other amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 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.

Fair value of the Group’s financial assets that are measured at fair value on a recurring basis, the table below gives information about how the fair values of the financial assets are determined:

Financial assets	Fair value as at			Fair value hierarchy	Valuation technique(s) and Key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	30/6/2022	31/12/2021	30/6/2021				
<b><u>Investments at fair value through profit or loss</u></b>							
Quoted shares	2,942,948	2,432,248	669	1	Bid prices	-	-
Unquoted shares	2,763,906	2,764,287	2,713,230	3	i) Peer market price to book value of similar companies in the same industry ii) Discounted future cash flows	i) Peer market price to book value factor and discount for lack of market availability ii) Discount rate and growth rate	i) Changes in market multiple and discount rate will result change in fair values ii) The higher the discount rate, the lower the fair value
<b><u>Investments at fair value through OCI</u></b>							
Local and foreign equity securities – Unquoted	16,728,103	17,445,254	13,341,847	3	i) Peer market price to book value of similar companies in the same industry ii) Discounted future cash flows	i) Peer market price to book value factor and discount for lack of market availability ii) Discount rate and growth rate	i) Changes in market multiple and discount rate will result change in fair values ii) The higher the discount rate, the lower the fair value

The following table shows a reconciliation of the opening and closing amount of level 3:

	Unquoted investments		
	30 June 2022	31 December 2021 (Audited)	30 June 2021
Balance as at beginning period/ year	20,209,541	16,726,920	16,726,920
Additions	436,080	405,154	-
Change in fair value during the period/ year	(1,153,612)	3,077,467	(669,636)
Net disposal	-	-	(2,207)
Balance as at ending period/ year	<u>19,492,009</u>	<u>20,209,541</u>	<u>16,055,077</u>

The fair values of financial assets and financial liabilities that are not measured at fair value on a recurring basis approximately equals their carrying values as on the date of the interim condensed consolidated financial information.

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2022  
(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***4. Cash and cash equivalents**

	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Cash at banks and financial institutions	758,436	1,429,428	554,389
Cash at clearing company	328,661	100,115	-
Cash on hand	216	117	759
	<u>1,087,313</u>	<u>1,529,660</u>	<u>555,148</u>

**5. Accounts receivable and other assets**

	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Trade receivables	1,734,006	1,742,210	1,728,491
Due from selling of investment properties (*)	600,000	600,000	1,581,256
Advanced paid to acquire an investment (**)	250,000	150,000	-
Dividends receivable from associate	735,961	-	-
Other receivables	318,453	248,279	233,152
	<u>3,638,420</u>	<u>2,740,489</u>	<u>3,542,899</u>
Expected credit losses	<u>(252,445)</u>	<u>(252,445)</u>	<u>-</u>
	<u>3,385,975</u>	<u>2,488,044</u>	<u>3,542,899</u>

- (\*) The remaining amount due from selling of investment properties was rescheduled to 31 December 2022.
- (\*\*) During the previous year the Group's management has signed acquisition contract of 26% ownership in a Kuwaiti company with a value amount to KD 300,000 out of which KD 250,000 was paid.

**6. Investments at fair value through profit or loss**

	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Quoted shares	2,942,948	2,432,248	669
Unquoted shares	2,763,906	2,764,287	2,713,230
	<u>5,706,854</u>	<u>5,196,535</u>	<u>2,713,899</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 2,763,906 as at 30 June 2022 (KD 2,764,287 - 31 December 2021, KD 2,713,230 - 30 June 2021) pledged as collateral against credit facilities granted by a local bank (Note 11).

**7. Investments at fair value through OCI**

	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Unquoted Foreign equity securities	12,235,460	13,106,610	12,292,990
Unquoted local equity securities	4,492,643	4,338,644	1,048,857
	<u>16,728,103</u>	<u>17,445,254</u>	<u>13,341,847</u>

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

**8. Investments in debt instruments at amortized cost**

- During 2018, the Group acquired credit impaired debt instruments (sukuk) for contractual amount of KD 10.5M.
- The Group's management expects to obtain future cash flows during 2022 amounted by KD 9,850,000. The present value of expected cash flows of the acquired debt instruments is estimated based on discount rate of 6%.
- Interest income amounted KD 274,713 has been recorded during the current period (Nil-30 June 2021).

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**Notes to the Interim Condensed Consolidated Financial Information for the six months ended 30 June 2022  
(Unaudited)***(All amounts are in Kuwaiti Dinar unless otherwise stated)***9. Investment in associates**

Company's name	Country of incorporation	Ownership percentage (%)	30 June 2022	31 December 2021 (Audited)	30 June 2021
Coast Development and Investment Company	Kuwait	31.65	6,342,445	6,695,785	5,458,959
Specialties Group Holding Company	Kuwait	31.54	6,950,750	6,943,859	6,753,270
			13,293,195	13,639,644	12,212,229

The movement over investment in associates summarized as below:

	30 June 2022	31 December 2021 (Audited)	30 June 2021
Opening balance	13,639,644	12,490,649	12,490,649
Share of results	691,842	1,636,715	53,197
Share of other comprehensive income / (losses)	44,134	(487,720)	(331,617)
Cash dividends	(1,082,425)	-	-
	13,293,195	13,639,644	12,212,229

- Investment above are accounted for using equity method in this interim condensed consolidated financial information.
- The Group's share in the results and other comprehensive losses of the associates is calculated based on the most recent available reviewed financial information for the three months period ended 31 March 2022 for Coast Development and Investment Company and reviewed financial information for Specialties Group Holding Company for the period ended 30 June 2022.
- The fair value based on quoted price (level 1) for the investment in associates as below:

	30 June 2022	31 December 2021 (Audited)	30 June 2021
Coast Development and Investment Company	15,013,622	15,308,007	13,727,000
Specialties Group Holding Company	4,833,378	6,187,500	5,296,500

- The Group stake of 98% of its owned shares of Specialties Group Holding Company are pledged against credit facilities granted by a local bank (Note 11).

**10. Investment properties**

	30 June 2022	31 December 2021 (Audited)	30 June 2021
Opening balance	953,788	1,599,908	1,599,908
Disposals	(607,789)	(645,085)	(166,332)
Change in fair value	-	(1,035)	-
	345,999	953,788	1,433,576

- During the current period, the Group disposed investment properties which resulted loss on sale amounted to KD 25,449 in the interim condensed consolidated statement of income.

**11. Bank facilities**

	30 June 2022	31 December 2021 (Audited)	30 June 2021
Bank overdraft	738,651	651,828	735,567
Wakala and murabaha payable	2,549,422	2,056,705	2,066,705
	3,288,073	2,708,533	2,802,272

- The average interest rate on wakala and murabaha payable is 3.5% - 4.5% as of 30 June 2022 - 31 December & 30 June 2021.
- The bank facilities are granted to the Group against the following assets:

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	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Investments in an associate (Note 9)	6,811,735	6,804,982	6,640,716
Investments at fair value through profit or loss (Note 6)	2,736,906	2,764,287	2,713,230
Property and equipment	4,240,845	4,259,728	4,005,000
	<u>13,789,486</u>	<u>13,828,997</u>	<u>13,358,946</u>

In addition to that, the Group has pledged 48.46% of the shares of Al Ahlia Chemical Company “the Subsidiary” of the Group (Note 1).

**12. Accounts payable and other liabilities**

	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Trade payables	769,769	808,711	895,457
Employees’ end of service benefits	939,850	871,553	815,810
Accrued expenses	490,973	684,657	552,791
Dividends payables (Note 18)	1,270,759	208,429	261,216
Lease liability	215,519	236,672	249,874
Advances received	33,835	26,361	50,316
Other liabilities	2,577,165	3,115,337	302,135
	<u>6,297,870</u>	<u>5,951,720</u>	<u>3,127,599</u>

**13. Treasury shares**

	<b>30 June 2022</b>	<b>31 December 2021 (Audited)</b>	<b>30 June 2021</b>
Number of shares	13,823,717	13,818,717	17,090,717
Percentage of issued shares (%)	6	6	7.5
Market value (KD)	1,921,497	2,086,626	1,828,707

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

During previous year the Group signed a liquidity agreement on liquidity provision, with a market maker (Liquidity Provider). The Liquidity provider’s role is the provision of liquidity for the issuer’s securities listed in Dubai Financial Market.

**14. Net Investment (loss) / income**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i><u>Investments at fair value through profit or loss</u></i>				
Dividends income	140,158	-	308,176	84,009
Change in fair value	(507,017)	-	(83,742)	-
Realized gain from selling investments	12,208	-	296,776	-
	<u>(354,651)</u>	<u>-</u>	<u>521,210</u>	<u>84,009</u>
<i><u>Investments in debt instruments at amortized cost</u></i>				
Interest income	138,357	-	274,713	-
	<u>(216,294)</u>	<u>-</u>	<u>795,923</u>	<u>84,009</u>

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Basic earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted earnings per share is calculated by dividing the 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 earnings per share for the six months period ended 30 June is as follows:

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
Net profit for the period	218,546	22,069	1,098,295	74,102
Weighted average number of outstanding ordinary shares (share)	220,315,961	216,767,950	220,317,764	216,743,405
Earnings per share (fils)	1	0.1	5	0.3

Basic and diluted shares earnings per shares for current and comparative periods has been adjusted to reflect the effect of bonus shares for 2021 (Note 18).

**16. 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:

	Three months ended 30 June		Six months ended 30 June	
	2022	2021	2022	2021
<b>Key management compensation:</b>				
Salaries and other short term benefits	65,510	53,700	130,560	106,450
Employees' end of service benefits	14,018	13,974	28,038	27,993
Board committee remuneration	3,400	2,400	3,400	2,400
	82,928	70,074	161,998	136,843

	30 June 2022	31 December 2021 (Audited)	30 June 2021
<b>Balances a raising from such transactions</b>			
Accrued expenses	-	94,022	-
Employees' end of service benefits	386,640	358,602	330,562
Board committee remuneration	-	50,000	-

**17. 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.

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The segment reporting information is as follows:

	Period ended 30 June 2022				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	1,629,346	(25,449)	1,487,765	16,036	3,107,698
Segments expenses	(1,549,264)	-	(500,601)	-	(2,049,865)
Total segments' results	80,082	(25,449)	987,164	16,036	1,057,833
Segments assets	10,104,549	345,999	45,295,318	-	55,745,866
Segment liabilities	3,288,073	-	6,297,870	-	9,585,943

  

	Year ended 31 December 2021				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments assets	9,343,583	953,788	45,573,886	-	55,871,257
Segment liabilities	2,708,533	-	5,951,720	-	8,660,253

  

	Period ended 30 June 2021				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	1,668,710	(24,034)	137,203	150,564	1,932,443
Segments expenses	(1,452,065)	-	(341,590)	(3,647)	(1,797,302)
Total segments' results	216,645	(24,034)	(204,387)	146,917	135,141
Segments assets	8,431,366	1,433,577	37,851,234	-	47,716,177
Segment liabilities	2,566,422	-	3,363,449	-	5,929,871

**18. Dividends**

On 30 May 2022, the General Assembly of shareholders of the Parent Company approved the consolidated financial statements for the year ended 31 December 2021 and approved the Board of Directors' proposal of distributing cash dividends of 5% (5 fils per share), bonus shares dividends of 3% for the year ended 31 December 2021 and Board of Directors' remuneration of KD 50,000 for the same year. The cash dividends of KD 1,069,513 are included in accounts payable and other liabilities (Note 12) as at 30 June 2022. The bonus shares will increase the number of issues and fully paid-up shares by KD 683,164 (6,831,641 shares). The approved cash dividends and bonus shares will be distributed on 20 July 2022. Procedures of amending the commercial register for capital increase by issuing bonus shares are in progress during the subsequent period.

**19. Commitments and contingent liabilities**

	30 June 2022	31 December 2021 (Audited)	30 June 2021
Letters of guarantee	291,317	293,317	293,317
Letters of credit and acceptance	508,603	150,837	42,679
	<u>799,920</u>	<u>444,154</u>	<u>335,996</u>

**20. Legal cases**

During the previous years, Court of First Instance issued its judgement to annul the acquisition contract "The Contract" relating to a subsidiary owned by 62.6% as at 31 December 2021, and nullify the share capital increase made during 2016. Also, this judgement nullified the call for holding the extraordinary general assembly meeting for the same Company during 2019 and all relevant resolutions concerning the share capital increase.

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Subsequently, Court of Appeal issued its judgment to nullify Court of First Instance's judgment relating to the request of the Contract annulment and refer the case to the Plenary Court - Capital Markets Circuit. Also, the Court ruled to reject the request concerning nullification of "the share capital increase during 2016 and a call for holding the Company's extraordinary general assembly meeting during 2019". However, this judgment has been challenged by cassation and no hearing session is scheduled till present. During the previous year, another lawsuit was filed for nullifying the general assembly meeting held on 21 June 2021, known this appeal was suspended till disposition of the above-mentioned cassation.

The Plenary Court - Capital Markets Circuit issued an initial judgment to consider the lawsuit as null and void. However, this judgment has been challenged as Court of Appeal issued its judgment to remand the lawsuit to Court of First Instance. During the current year, Court of First Instance issued its judgment to reject the Plaintiff's request concerning annulment of the Contract.

Based on the attorney's opinion, the request for annulling the acquisition Contract is likely to have no impact since the Contract was not executed. Also, it is likely to uphold the judgment issued by Court of Appeal when challenged before Court of Cassation.

The net carrying amount of investment in the subsidiary is amounting to KD 4.5 million approximately as at the date of interim condensed consolidated financial information.

**21. Impact of Covid-19**

The future dynamics of the COVID-19 pandemic remain uncertain due to its evolving nature (new ongoing waves of infection, new restrictions, new variants, vaccination efficacy and rollouts). The full extent of the impact of the crisis in the region and related policy and support measures is still not fully known.

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 interim condensed consolidated financial information and explained the changes related to the critical judgement and estimates for the period ended 30 June 2022.

Further, management is aware that any further disruptions due to the emerging new covid variants could negatively impact the consolidated financial position, performance and cash flows of the Group in the future. Management continues to closely monitor the market trends, its industry reports and cash flows to minimize any negative impact on the Group.