

**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 2019
(Unaudited)**

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

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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 30 June 2019, 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 2019 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, 30 July 2019

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

And its subsidiaries

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Interim Condensed Consolidated Statement of Financial Position as at 30 June 2019**(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	30 June 2019	31 December 2018 (Audited)	30 June 2018
Assets				
Cash and cash equivalents	4	335,295	7,479,055	1,206,422
Accounts receivable and other assets	5	2,517,376	1,841,946	1,956,064
Inventories		923,779	766,593	1,422,915
Investments in equity instruments	6	17,532,256	17,719,926	21,999,594
Investments in debt instruments at amortized cost		8,522,835	8,272,907	-
Investment in associates	7	13,924,908	7,612,295	7,384,676
Investment properties		4,613,130	4,613,130	4,613,130
Other assets		4,082,947	4,099,249	4,127,566
		<u>52,452,526</u>	<u>52,405,101</u>	<u>42,710,367</u>
Assets classified as held for sale		-	-	4,576,054
Total assets		<u>52,452,526</u>	<u>52,405,101</u>	<u>47,286,421</u>
Liabilities and equity				
Liabilities				
Bank facilities		3,047,374	3,505,021	3,098,937
Accounts payable and other liabilities		4,128,355	3,668,461	3,487,997
Total liabilities		<u>7,175,729</u>	<u>7,173,482</u>	<u>6,586,934</u>
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		950,889	950,889	706,279
Fair value reserve		11,574,724	11,797,056	10,319,699
Treasury shares	8	(1,906,792)	(1,906,792)	(1,906,792)
Treasury shares reserve		318,561	318,561	318,561
Group's share in associates' reserves		(172,130)	-	67,899
Retained earnings		4,921,275	4,654,440	4,541,484
Equity attributable to the shareholders of the Parent Company		<u>40,187,461</u>	<u>40,315,088</u>	<u>38,548,064</u>
Non-controlling interests		5,089,336	4,916,531	2,151,423
Total equity		<u>45,276,797</u>	<u>45,231,619</u>	<u>40,699,487</u>
Total liabilities and equity		<u>52,452,526</u>	<u>52,405,101</u>	<u>47,286,421</u>

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



Basim Abdullah Al Othman

Vice 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 2019
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2019	2018	2019	2018
Revenues					
Net investment income	9	671,135	780,381	1,154,604	1,148,747
Share of results of associates		108,457	121,302	182,091	191,285
Profit from operating activities		326,979	415,461	802,531	893,896
Other income	10	193,055	37,821	216,811	52,842
		<u>1,299,626</u>	<u>1,354,965</u>	<u>2,356,037</u>	<u>2,286,770</u>
Expenses					
Other expenses		(397,298)	(402,729)	(747,345)	(759,831)
Finance costs		(45,446)	(19,872)	(102,304)	(92,517)
		<u>(442,744)</u>	<u>(422,601)</u>	<u>(849,649)</u>	<u>(852,348)</u>
Profit for the period before deductions		856,882	932,364	1,506,388	1,434,422
Contribution to KFAS		(7,711)	(8,355)	(13,557)	(12,874)
National Labour Support Tax		(22,042)	(23,263)	(39,068)	(36,578)
Zakat		(8,799)	(1,145)	(12,687)	(3,924)
Profit for the period		<u>818,330</u>	<u>899,601</u>	<u>1,441,076</u>	<u>1,381,046</u>
Attributable to:					
Shareholders of the Parent Company		733,403	844,548	1,268,271	1,325,993
Non-controlling interests		84,927	55,053	172,805	55,053
		<u>818,330</u>	<u>899,601</u>	<u>1,441,076</u>	<u>1,381,046</u>
Basic and diluted earnings per share (fils)	11	<u>3.66</u>	<u>4.22</u>	<u>6.33</u>	<u>6.62</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 2019
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Three months ended		Six months ended	
	30 June		30 June	
	2019	2018	2019	2018
Profit for the period	<u>818,330</u>	<u>899,601</u>	<u>1,441,076</u>	<u>1,381,046</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	(172,130)	44,429	(172,130)	67,899
<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>(55,597)</u>	<u>(538,209)</u>	<u>(222,332)</u>	<u>(446,557)</u>
Total other comprehensive income items	<u>(227,727)</u>	<u>(493,780)</u>	<u>(394,462)</u>	<u>(378,658)</u>
Total comprehensive income for the period	<u>590,603</u>	<u>405,821</u>	<u>1,046,614</u>	<u>1,002,388</u>
Attributable to:				
Shareholders of the Parent Company	505,676	350,768	873,809	947,335
Non-controlling interests	<u>84,927</u>	<u>55,053</u>	<u>172,805</u>	<u>55,053</u>
	<u>590,603</u>	<u>405,821</u>	<u>1,046,614</u>	<u>1,002,388</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 2019
(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 associate's reserves			Retained earnings	Total
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
Balance as at 1 January 2018	21,687,750	2,813,184	706,279	11,172,435	(1,906,792)	318,561	-	3,866,272	38,657,689	-	38,657,689
Impact on adoption of IFRS 9	-	-	-	(382,361)	-	-	-	292,163	(90,198)	-	(90,198)
Restated balance at 1 January 2018	21,687,750	2,813,184	706,279	10,790,074	(1,906,792)	318,561	-	4,158,435	38,567,491	-	38,567,491
Profit for the period	-	-	-	-	-	-	-	1,325,993	1,325,993	55,053	1,381,046
Other comprehensive income items for the period	-	-	-	(446,557)	-	-	67,899	-	(378,658)	-	(378,658)
Cash dividends	-	-	-	-	-	-	-	(1,001,436)	(1,001,436)	-	(1,001,436)
Gains on sale of financial assets at fair value through OCI	-	-	-	(23,818)	-	-	-	23,818	-	-	-
Disposal of share in a subsidiary	-	-	-	-	-	-	-	-	-	2,131,044	2,131,044
Effect of impairment of Parent Company's contribution in a subsidiary	-	-	-	-	-	-	-	34,674	34,674	(34,674)	-
Balance as at 30 June 2018	21,687,750	2,813,184	706,279	10,319,699	(1,906,792)	318,561	67,899	4,541,484	38,548,064	2,151,423	40,699,487

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 2019
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Six months ended	
		30 June	
		2019	2018
Cash flow from operating activities			
Profit for the period		1,441,076	1,381,046
<i>Adjustments:</i>			
Net investment income	9	(1,154,604)	(1,148,747)
Share of results of associates		(182,091)	(191,285)
Depreciation		58,278	25,485
Profits from sale of property and equipment		(497)	(1,962)
Provision for employees' end of service benefits		77,827	74,385
Finance costs		102,304	92,715
Operating profits before changes in working capital		342,293	231,637
Accounts receivable and other assets		(270,225)	(334,050)
Investments at fair value through profit or loss		38,508	359,799
Inventories		(157,186)	(402,135)
Accounts payable and other liabilities		(359,755)	121,431
Provision for employees' end of service benefits- Paid		-	(14,972)
Net cash used in operating activities		<u>(406,365)</u>	<u>(38,290)</u>
Cash flow from investing activities			
Proceeds from sale of financial assets available for sale		-	223,818
Paid for acquisition of associate		(6,302,652)	(39,975)
Proceeds from sale of property and equipment		62,970	2,000
Purchase of property and equipment		(31,158)	(161,096)
Dividends income received		426,301	1,097,474
Net cash (used in)/ generated from investing activities		<u>(5,844,539)</u>	<u>1,122,221</u>
Cash flow from financing activities			
Changes in non-controlling interests		-	(18,956)
Net changes in bank facilities		(457,647)	252,893
Finance costs paid		(102,304)	(92,715)
Cash dividends paid		<u>(332,905)</u>	<u>(864,111)</u>
Net cash used in financing activities		<u>(892,856)</u>	<u>(722,889)</u>
(Decrease)/ increase in cash and cash equivalents		(7,143,760)	361,042
Cash and cash equivalents at the beginning of the period		<u>7,479,055</u>	<u>845,380</u>
Cash and cash equivalents at the end of the period	4	<u>335,295</u>	<u>1,206,422</u>

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 2019 (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 2019	31 December 2018 (Audited)	30 June 2018
Al Oula National Real Estate Company sole proprietorship	Kuwait	Real estate activities	100	100	100
Al Ghad Project Management Company sole proprietorship	Kuwait	Real estate projects management	100	100	100
Al Ghad International General Trading W.L.L.	Kuwait	General Trading	100	100	100
Ahlia Chemicals Company K.S.C.C.	Kuwait	Manufacturing	62.6	62.6	62.6
Smart Wood for General Trading Company W.L.L.	Kuwait	General Trading	79	79	100
Asoul Sukuk Musharaka for General Trading W.L.L.	Kuwait	General Trading	100	100	-

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

On 20 May 2019, the general assembly for shareholders of the Parent Company approved the consolidated financial statements for the year ended 31 December 2018.

This interim condensed consolidated financial information was approved for issuance by the Board of Directors in the meeting held on 30 July 2019.

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 2019 are not necessarily indicative of results that may be expected for the year ending 31 December 2019. For further information, it is possible to refer to the consolidated financial statements and its related notes for the year ended 31 December 2018.

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 financial statements for the year ended 31 December 2018, 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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(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. The adoption of these standards and interpretations has no material impact on the financial statements of the Group, except as mentioned below:

IFRS 16 "Leases"

General impact

IFRS 16 'Leases' replaces the existing guidance on leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019.

IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Group's financial position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees.

The Group has opted for the modified retrospective application permitted by IFRS 16 upon adoption of the new standard. During the first time application of IFRS 16, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2018.

There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Impact on accounting policy:

Until the 2018 financial year, leases were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to income statement on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group unless the term is 12 months or less or the lease for low value asset. Assets and liabilities arising from a lease are initially measured on a present value basis. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to income statement over the lease period.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Practical expedient

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

The use of a single discount rate to a portfolio of leases with reasonably similar characteristics

Reliance on previous assessments on whether leases are onerous

The accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases

The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

The change in accounting policy affected the following items in the financial position on 1 January 2019:

Right-of-use assets – increase by KD 73,291 (recorded in other assets).

Lease liabilities – increase by KD 73,291 (recorded in accounts payables and other liabilities).

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

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.

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 value 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
	30/6/19	31/12/18	30/6/18				
<u>Investments at fair value through profit or loss</u>							
Local quoted equity securities	356,122	357,560	470,534	1	Bid prices	-	-
Local unquoted equity securities	2,953,837	2,917,737	5,869,916	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
<u>Investments at fair value through OCI</u>							
Local and foreign equity securities	14,222,297	14,444,629	15,659,144	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 2019	31 December 2018 (Audited)	30 June 2018
Balance as at beginning period/ year	17,362,366	19,836,361	19,836,361
Change in fair value during the period/ year	(186,232)	1,011,150	-
Transfers	-	-	1,692,699
Net disposal	-	(3,485,145)	-
Balance as at ending period/ year	17,176,134	17,362,366	21,529,060

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

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(Unaudited)**

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4. Cash and cash equivalents

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Cash on hand	2,285	4,070	4,882
Cash at banks and portfolios	333,010	7,474,985	1,201,540
	<u>335,295</u>	<u>7,479,055</u>	<u>1,206,422</u>

5. Accounts receivables and other assets

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Trade receivables	1,817,785	1,775,939	1,761,367
Credit losses provision	(252,445)	(434,870)	(170,225)
	1,565,340	1,341,069	1,591,142
Accrued dividends	405,205	-	-
Others	546,831	500,877	364,922
	<u>2,517,376</u>	<u>1,841,946</u>	<u>1,956,064</u>

6. Investments in equity instruments

Investments at fair value through profit or loss

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Quoted shares	356,122	357,560	470,534
Unquoted shares	2,953,837	2,917,737	5,869,916
	<u>3,309,959</u>	<u>3,275,297</u>	<u>6,340,450</u>

Investments at fair value through OCI

Local and foreign equity securities	14,222,297	14,444,629	15,655,469
Foreign managed funds	-	-	3,675
	<u>14,222,297</u>	<u>14,444,629</u>	<u>15,659,144</u>
	<u>17,532,256</u>	<u>17,719,926</u>	<u>21,999,594</u>

Investments at fair value through profit or loss include local quoted and unquoted securities with fair value of KD 3,309,444 as at 30 June 2019 (KD 3,274,451 - 31 December 2018 and KD 1,154,439 - 30 June 2018) pledged as collateral against credit facilities granted by a local bank.

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

7. Investment in associates

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Opening balance	7,612,295	7,175,716	7,175,716
Addition during the period/ year	6,302,652	39,975	39,975
Share of results	182,091	486,802	191,285
Share of reserves	(172,130)	(90,198)	(22,300)
	<u>13,924,908</u>	<u>7,612,295</u>	<u>7,384,676</u>

During the current period, the group acquired 31.65% of the capital of Coast Investment and Development Company.

As permitted by IFRS 3 "Business Combination" the Group expects to finalize the process of determining the fair value of assets acquired and liabilities assumed before the end of this year.

The Group's share in associates results of KD 182,091 as at 30 June 2019 has been recorded based on the latest (unaudited) financial information prepared by the management of the Specialities Group Holding Company and latest reviewed financial information of Coast Investment and Development as of 31 March 2019 (KD 486,802 as at 31 December 2018, KD 191,285 as at 30 June 2018).

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State of Kuwait

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(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. Treasury shares

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Number of shares	16,590,207	16,590,207	16,590,207
Percentage of issued shares (%)	8	8	8
Market value (KD)	962,232	995,412	980,481

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.

9. Net investment income

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
<i><u>Investments at fair value through profit or loss</u></i>				
Dividends income	7,191	9,490	315,567	278,742
Change in fair value	14,102	(30,523)	64,436	(1,366)
Realised gain on sale	840	(14,695)	1,543	52,640
	<u>22,133</u>	<u>(35,728)</u>	<u>381,546</u>	<u>330,016</u>
<i><u>Investments at fair value through other comprehensive income</u></i>				
Dividend income	<u>523,130</u>	<u>816,109</u>	<u>523,130</u>	<u>818,731</u>
	<u>523,130</u>	<u>816,109</u>	<u>523,130</u>	<u>818,731</u>
<i><u>Investment in debt instruments at amortized cost</u></i>				
Gain from investments in debt instruments	<u>125,874</u>	<u>-</u>	<u>249,928</u>	<u>-</u>
Net investment income	<u>671,137</u>	<u>780,381</u>	<u>1,154,604</u>	<u>1,148,747</u>

10. Other income

	Three months ended 30 June		Six months ended 30 June	
	2019	2018	2019	2018
Reversal of ECL provision	182,425	-	182,425	-
Rental income	4,502	-	12,507	-
Others	6,128	37,821	21,879	52,942
	<u>193,055</u>	<u>37,821</u>	<u>216,811</u>	<u>52,942</u>

11. Basic and diluted earnings per share

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	
	2019	2018	2019	2018
Profit for the period	733,403	844,548	1,268,271	1,325,993
Weighted average number of outstanding ordinary shares (share)	<u>200,287,293</u>	<u>200,287,293</u>	<u>200,287,293</u>	<u>200,287,293</u>
Earnings per share (fils)	<u>3.66</u>	<u>4.22</u>	<u>6.33</u>	<u>6.62</u>

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12. 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 statement of financial information are as follows:

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Balances:			
Due from related party	353,512	353,512	-
	Three months ended 30 June		Six months ended 30 June
	2019	2018	2019
	2019	2018	2018
Key management compensation:			
Salaries and other short term benefits	63,300	41,700	106,600
Employees' end of service benefits	13,400	6,650	23,855
	<u>76,700</u>	<u>48,350</u>	<u>130,455</u>
	<u>76,700</u>	<u>48,350</u>	<u>96,100</u>

13. 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 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
	Period ended 30 June 2018				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	893,896	-	1,392,874	-	2,286,770
Segments expenses	(419,501)	-	(432,847)	(53,376)	(905,724)
Total segments' results	<u>474,395</u>	<u>-</u>	<u>960,027</u>	<u>(53,376)</u>	<u>1,381,046</u>
Segments assets	7,544,905	4,613,130	30,552,332	4,576,054	47,286,421
Segment liabilities	2,645,373	-	-	3,941,561	6,586,934

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14. Cash dividends

On 20 May 2019, the general assembly for the shareholders of the Parent Company approved the audited consolidated financial statements for the year ended 31 December 2018, also approved the followings:

- Distribute cash dividends to the shareholders of 5 fils per share for the year 2018.
- Distribute an amount of KD 40,000 as Board of Directors' remuneration for the year 2018.

15. Commitments and contingent liabilities

	30 June 2019	31 December 2018 (Audited)	30 June 2018
Letters of guarantee	286,468	276,468	236,468
Letters of credit and acceptance	75,167	172,301	-