

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

**Interim Condensed Consolidated Financial Information
And Review Report
For the nine months period ended 30 September 2019
(Unaudited)**

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

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(Unaudited)

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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 September 2019, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine 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 nine months period ended 30 September 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, 7 November 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 September 2019**(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	30 September 2019	31 December 2018 (Audited)	30 September 2018
Assets				
Cash and cash equivalents	4	442,442	7,479,055	542,058
Accounts receivable and other assets	5	2,163,642	1,841,946	1,776,379
Inventories		882,641	766,593	1,052,836
Investments in equity instruments	6	17,042,978	17,719,926	21,645,283
Investments in debt instruments at amortized cost		8,650,558	8,272,907	-
Investment in associates	7	13,812,522	7,612,295	7,457,311
Investment properties		4,613,130	4,613,130	4,613,130
Other assets		4,042,611	4,099,249	4,110,455
		51,650,524	52,405,101	41,197,452
Assets classified as held for sale		-	-	4,576,054
Total assets		51,650,524	52,405,101	45,773,506
Liabilities and equity				
Liabilities				
Bank facilities		3,168,226	3,505,021	2,679,342
Accounts payable and other liabilities		3,632,162	3,668,461	2,288,222
Total liabilities		6,800,388	7,173,482	4,967,564
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		11,073,676	11,797,056	10,284,618
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		(244,522)	-	68,870
Retained earnings		5,012,342	4,654,440	4,610,936
Equity attributable to the shareholders of the Parent Company		39,705,088	40,315,088	38,583,406
Non-controlling interests		5,145,048	4,916,531	2,222,536
Total equity		44,850,136	45,231,619	40,805,942
Total liabilities and equity		51,650,524	52,405,101	45,773,506

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



Abdul Wahab Mohamad Al-Wazzan
Chairman



Mamdouh Abdul Ghani El Sherbiny
Chief Executive Officer

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

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**Interim Condensed Consolidated Statement of Income for the nine months ended 30 September 2019
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2019	2018	2019	2018
Revenues					
Net investment income	9	139,494	(21,396)	1,294,098	1,127,351
Share of results of associates	7	(39,994)	71,663	142,097	262,948
Profit from operating activities		417,605	468,465	1,220,136	1,362,361
Other income	10	72,986	48,762	289,797	101,604
		<u>590,091</u>	<u>567,494</u>	<u>2,946,128</u>	<u>2,854,264</u>
Expenses					
Other expenses		(364,461)	(377,547)	(1,111,806)	(1,137,378)
Finance costs		<u>(77,002)</u>	<u>(21,995)</u>	<u>(179,306)</u>	<u>(114,512)</u>
		<u>(441,463)</u>	<u>(399,542)</u>	<u>(1,291,112)</u>	<u>(1,251,890)</u>
Profit for the period before deductions		148,628	167,952	1,655,016	1,602,374
Contribution to KFAS		(1,338)	(1,547)	(14,895)	(14,421)
National Labour Support Tax		(519)	(5,233)	(39,587)	(41,811)
Zakat		<u>8</u>	<u>(2,093)</u>	<u>(12,679)</u>	<u>(6,017)</u>
Profit for the period		<u>146,779</u>	<u>159,079</u>	<u>1,587,855</u>	<u>1,540,125</u>
Attributable to:					
Shareholders of the Parent Company		91,067	87,966	1,359,338	1,413,959
Non-controlling interests		<u>55,712</u>	<u>71,113</u>	<u>228,517</u>	<u>126,166</u>
		<u>146,779</u>	<u>159,079</u>	<u>1,587,855</u>	<u>1,540,125</u>
Basic and diluted earnings per share (fiis)	11	<u>0.45</u>	<u>0.44</u>	<u>6.79</u>	<u>7.06</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 nine months ended 30 September 2019
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
Profit for the period	<u>146,779</u>	<u>159,079</u>	<u>1,587,855</u>	<u>1,540,125</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	(72,392)	971	(244,522)	68,870
<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>(501,048)</u>	<u>(53,595)</u>	<u>(723,380)</u>	<u>(500,152)</u>
Total other comprehensive income items	<u>(573,440)</u>	<u>(52,624)</u>	<u>(967,902)</u>	<u>(431,282)</u>
Total comprehensive income for the period	<u>(426,661)</u>	<u>106,455</u>	<u>619,953</u>	<u>1,108,843</u>
Attributable to:				
Shareholders of the Parent Company	(482,373)	35,342	391,436	982,677
Non-controlling interests	<u>55,712</u>	<u>71,113</u>	<u>228,517</u>	<u>126,166</u>
	<u>(426,661)</u>	<u>106,455</u>	<u>619,953</u>	<u>1,108,843</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 nine months ended 30 September 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 associates' 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	-	-	-	-	-	-	-	1,359,338	1,359,338	228,517	1,587,855	
Other comprehensive income items for the period	-	-	-	(723,380)	-	-	(244,522)	-	(967,902)	-	(967,902)	
Cash dividends	-	-	-	-	-	-	-	(1,001,436)	(1,001,436)	-	(1,001,436)	
Balance as at 30 September 2019	21,687,750	2,813,184	950,889	11,073,676	(1,906,792)	318,561	(244,522)	5,012,342	39,705,088	5,145,048	44,850,136	
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	-	-	-	-	-	-	-	1,413,959	1,413,959	126,166	1,540,125	
Other comprehensive income items for the period	-	-	-	(500,152)	-	-	68,870	-	(431,282)	-	(431,282)	
Cash dividends	-	-	-	-	-	-	-	(1,001,436)	(1,001,436)	-	(1,001,436)	
Gains on sale of financial assets at fair value through OCI	-	-	-	(5,304)	-	-	-	5,304	-	-	-	
Disposal of a stake in a subsidiary	-	-	-	-	-	-	-	-	-	2,131,044	2,131,044	
Effect of decrease of Parent Company's contribution in a subsidiary	-	-	-	-	-	-	-	34,674	34,674	(34,674)	-	
Balance as at 30 September 2018	21,687,750	2,813,184	706,279	10,284,618	(1,906,792)	318,561	68,870	4,610,936	38,583,406	2,222,536	40,805,942	

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 nine months ended 30 September 2019
(Unaudited)***(All amounts are in Kuwaiti Dinar)*

	Notes	Nine months ended	
		30 September	
		2019	2018
Cash flow from operating activities			
Profit for the period		1,587,855	1,540,125
<i>Adjustments:</i>			
Net investment income	9	(1,294,098)	(1,127,351)
Share of results of associates		(142,097)	(262,948)
Depreciation and amortization		108,466	38,510
Gains from sale of property and equipment		(497)	(1,962)
Provision for employees' end of service benefits		94,393	96,793
Finance costs		179,306	114,512
Operating profits before changes in working capital		533,328	397,679
Accounts receivable and other assets		(321,696)	(154,365)
Investments at fair value through profit or loss		31,318	484,938
Inventories		(116,048)	(32,056)
Accounts payable and other liabilities		(836,583)	(877,430)
Provision for employees' end of service benefits- Paid		-	(26,394)
Net cash used in operating activities		(709,681)	(207,628)
Cash flow from investing activities			
Proceeds from sale of Investments at fair value through OCI		-	223,818
Paid for acquisition of investment in associate		(6,302,652)	(39,975)
Proceeds from sale of property and equipment		68,987	2,000
Purchase of property and equipment		(47,027)	(157,010)
Dividends income received		838,697	1,097,473
Net cash (used in)/ generated from investing activities		(5,441,995)	1,126,306
Cash flow from financing activities			
Changes in non-controlling interests		-	(18,956)
Net changes in bank facilities		(336,795)	(166,702)
Finance costs paid		(179,306)	(114,512)
Cash dividends paid		(368,836)	(921,830)
Net cash used in financing activities		(884,937)	(1,222,000)
Decrease in cash and cash equivalents		(7,036,613)	(303,322)
Cash and cash equivalents at the beginning of the period		7,479,055	845,380
Cash and cash equivalents at the end of the period	4	442,442	542,058

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 nine months ended 30 September 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 September 2019	31 December 2018 (Audited)	30 September 2018
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
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 7 November 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 September 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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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
	30/9/19	31/12/18	30/9/18				
<u>Investments at fair value through profit or loss</u>							
Local quoted equity securities	367,877	357,560	528,653	1	Bid prices	-	-
Local unquoted equity securities	2,953,852	2,917,737	5,665,262	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 value ii) The higher the discount rate, the lower the fair value
<u>Investments at fair value through OCI</u>							
Local and foreign equity securities	13,721,249	14,444,629	15,451,368	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 value 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 September 2019	31 December 2018 (Audited)	30 September 2018
Balance as at beginning period/ year	17,362,366	19,836,361	19,836,361
Change in fair value during the period/ year	(687,265)	1,011,150	-
Transfers	-	-	1,280,269
Net disposal	-	(3,485,145)	-
Balance as at ending period/ year	16,675,101	17,362,366	21,116,630

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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(All amounts are in Kuwaiti Dinar unless otherwise stated)

4. Cash and cash equivalents	30 September 2019	31 December 2018 (Audited)	30 September 2018
Cash on hand	4,362	4,070	9,030
Cash at banks and portfolios	438,080	7,474,985	533,028
	<u>442,442</u>	<u>7,479,055</u>	<u>542,058</u>

5. Accounts receivables and other assets	30 September 2019	31 December 2018 (Audited)	30 September 2018
Trade receivables	1,789,207	1,775,939	1,773,285
Credit losses provision	(252,445)	(434,870)	(175,919)
	1,536,762	1,341,069	1,597,366
Accrued dividends	-	-	-
Others	626,880	500,877	179,013
	<u>2,163,642</u>	<u>1,841,946</u>	<u>1,776,379</u>

6. Investments in equity instruments	30 September 2019	31 December 2018 (Audited)	30 September 2018
Investments at fair value through profit or loss			
Quoted shares	367,877	357,560	528,653
Unquoted shares	2,953,852	2,917,737	5,665,262
	<u>3,321,729</u>	<u>3,275,297</u>	<u>6,193,915</u>
Investments at fair value through OCI			
Local and foreign equity securities	13,721,249	14,444,629	15,449,735
Foreign managed funds	-	-	1,633
	<u>13,721,249</u>	<u>14,444,629</u>	<u>15,451,368</u>
	<u>17,042,978</u>	<u>17,719,926</u>	<u>21,645,283</u>

Investments at fair value through profit or loss include local quoted and unquoted securities with fair value of KD 3,321,251 as at 30 September 2019 (KD 3,274,451 - 31 December 2018 and KD 1,158,401 - 30 September 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 September 2019	31 December 2018 (Audited)	30 September 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	142,097	486,802	262,948
Share of reserves	(244,522)	(90,198)	(21,328)
	<u>13,812,522</u>	<u>7,612,295</u>	<u>7,457,311</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 142,097 as at 30 September 2019 has been recorded based on the reviewed financial information of the Specialities Group Holding Company as of 30 September 2019, and latest reviewed financial information of Coast Investment and Development as of 30 June 2019 (KD 486,802 as at 31 December 2018, KD 262,948 as at 30 September 2018).

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(All amounts are in Kuwaiti Dinar unless otherwise stated)

8. Treasury shares

	30 September 2019	31 December 2018 (Audited)	30 September 2018
Number of shares	16,590,207	16,590,207	16,590,207
Percentage of issued shares (%)	8	8	8
Market value (KD)	998,730	995,412	1,161,314

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 September		Nine months ended 30 September	
	2019	2018	2019	2018
<i>Investments at fair value through profit or loss</i>				
Dividends income	-	-	315,567	278,742
Change in fair value	11,771	(2,548)	76,207	(3,914)
Realised gain on sale	-	(18,848)	1,543	33,792
	<u>11,771</u>	<u>(21,396)</u>	<u>393,317</u>	<u>308,620</u>
<i>Investments at fair value through other comprehensive income</i>				
Dividend income	-	-	523,130	818,731
	<u>-</u>	<u>-</u>	<u>523,130</u>	<u>818,731</u>
<i>Investment in debt instruments at amortized cost</i>				
Gain from investments in debt instruments	127,723	-	377,651	-
Net investment income	<u>139,494</u>	<u>(21,396)</u>	<u>1,294,098</u>	<u>1,127,351</u>

10. Other income

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
Reversal of ECL provision	-	-	182,425	-
Rental income	14,650	18,038	27,157	18,038
Others	58,336	30,724	80,215	83,566
	<u>72,986</u>	<u>48,762</u>	<u>289,797</u>	<u>101,604</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 September, the Parent Company has no outstanding dilutive potential ordinary shares.

The information necessary to calculate basic and diluted earnings per share for the nine months period ended 30 September is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
Profit for the period	91,067	87,966	1,359,338	1,413,959
Weighted average number of outstanding ordinary shares (share)	200,287,293	200,287,293	200,287,293	200,287,293
Earnings per share (fils)	<u>0.45</u>	<u>0.44</u>	<u>6.79</u>	<u>7.06</u>

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Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2019 (Unaudited)

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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 September 2019	31 December 2018 (Audited)	30 September 2018
Balances:			
Due from related party	353,512	353,512	-
	Three months ended 30 September		Nine months ended 30 September
	2019	2018	2019
	2019	2018	2018
Key management compensation:			
Salaries and other short term benefits	70,000	60,400	176,600
Employees' end of service benefits	16,351	6,682	40,206
	<u>86,351</u>	<u>67,082</u>	<u>216,806</u>
	<u>143,200</u>	<u>19,982</u>	<u>163,182</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 September 2019				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	1,220,136	-	1,436,195	289,797	2,946,128
Segments expenses	(649,494)	-	(493,110)	(215,669)	(1,358,273)
Total segments' results	<u>570,642</u>	<u>-</u>	<u>943,085</u>	<u>74,128</u>	<u>1,587,855</u>
Segments assets	6,951,344	4,613,130	39,974,155	111,895	51,650,524
Segment liabilities	2,187,845	-	-	4,612,543	6,800,388
	Period ended 30 September 2018				
	Industrial activities	Real estate investing activities	Financial investing activities	Unallocated	Total
Segments revenues	1,362,361	-	1,390,299	101,604	2,854,264
Segments expenses	(647,697)	-	(604,193)	(62,249)	(1,314,139)
Total segments' results	<u>714,664</u>	<u>-</u>	<u>786,106</u>	<u>39,355</u>	<u>1,540,125</u>
Segments assets	7,180,668	4,613,130	29,403,654	4,576,054	45,773,506
Segment liabilities	2,096,916	-	-	2,870,648	4,967,564

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**Notes to the Interim Condensed Consolidated Financial Information for the nine months ended 30 September 2019
(Unaudited)**

(All amounts are in Kuwaiti Dinar unless otherwise stated)

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 September 2019	31 December 2018 (Audited)	30 September 2018
Letters of guarantee	371,858	276,468	278,468
Letters of credit and acceptance	-	172,301	70,077