

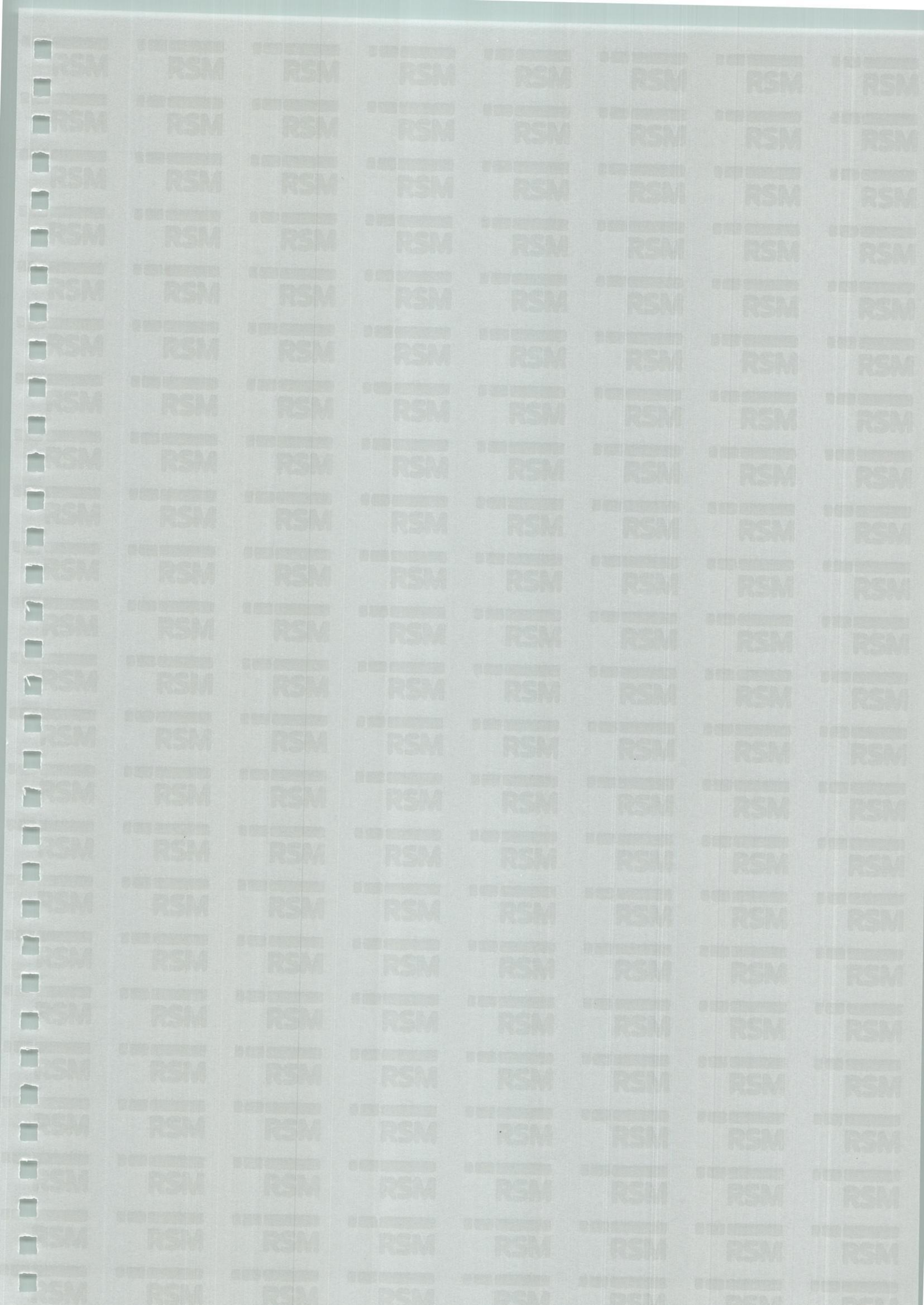
**MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2020
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2020
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
Mubarrad Holding Company - K.S.C.P. and its subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company - K.S.C.P. (the "Parent Company") and its subsidiaries (Collectively the "Group") as at June 30, 2020, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three months and six months periods then ended, statement of changes in equity, and cash flows for the six months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 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 condensed consolidated 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 34.

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 account 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, its Executive Regulations as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the six months period ended June 30, 2020 that might have had a material effect on the Parent Company's financial position or result of its operations.

State of Kuwait
August 13, 2020

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MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

			December 31, 2019 (Audited)	June 30, 2019
<u>ASSETS</u>	<u>Notes</u>	<u>June 30, 2020</u>		
Current assets:				
Cash and cash equivalents	4	3,427,273	3,022,061	2,202,738
Investment deposits		-	-	500,000
Accounts receivable and other debit balances		873,840	1,139,297	1,153,427
Due from a related party	5	3,389	-	9,000
Inventories		728,298	605,317	569,186
Total current assets		5,032,800	4,766,675	4,434,351
Non-current assets:				
Financial assets at fair value through profit or loss		895,163	887,889	901,910
Investment in an associate		3,809,324	3,784,469	3,813,238
Investment properties		14,034,288	13,967,371	13,585,986
Property, plant and equipment		1,239,479	1,488,921	1,509,777
Goodwill		91,005	91,005	91,005
Total non-current assets		20,069,259	20,219,655	19,901,916
Total assets		25,102,059	24,986,330	24,336,267
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Lease liabilities	6	2,356,959	2,405,522	2,334,378
Accounts payable and other credit balances		2,181,996	1,344,366	1,232,789
Due to a related party	5	655	655	655
Total current liabilities		4,539,610	3,750,543	3,567,822
Non-current liabilities:				
Lease liabilities	6	5,236	27,068	260,083
Provision for end of service indemnity		514,295	487,371	468,920
Total non-current liabilities		519,531	514,439	729,003
Total liabilities		5,059,141	4,264,982	4,296,825
Equity:				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,064,121	1,064,121	955,086
Treasury shares		(671)	(671)	(671)
Treasury shares reserve		84,388	84,388	84,388
Other components of equity		(3,594)	(3,594)	(3,594)
Effect of changes in other comprehensive income of associate		117,874	117,874	117,874
Foreign currencies translation reserve		(1,377,860)	(1,458,221)	(1,518,627)
Retained earnings		3,733,495	4,491,956	3,981,091
Equity attributable to Shareholders of the Parent Company		19,987,030	20,665,130	19,984,824
Non-controlling interests		55,888	56,218	54,618
Total equity		20,042,918	20,721,348	20,039,442
Total liabilities and equity		25,102,059	24,986,330	24,336,267

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

Abdullah Mohammed Al-Shatti
Chairman

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2020	2019	2020	2019
Sales		85,220	132,833	251,133	307,357
Cost of sales		(94,327)	(104,893)	(246,528)	(256,219)
Gross (loss) profit		(9,107)	27,940	4,605	51,138
Revenues from transportation, leasing and maintenance operations		27,181	120,828	102,867	264,997
Cost of transportation, leasing and maintenance operations		(45,031)	(95,428)	(147,532)	(202,324)
Gross (loss) profit		(17,850)	25,400	(44,665)	62,673
Rental revenues		204,178	431,781	596,315	861,562
Rental costs		(57,844)	(60,165)	(112,225)	(120,136)
Gross profit		146,334	371,616	484,090	741,426
Total gross profit		119,377	424,956	444,030	855,237
General and administrative expenses		(141,004)	(173,254)	(320,893)	(357,221)
Allowance for expected credit losses (charged) no longer required		(45,173)	27,732	(55,125)	27,732
Depreciation		(6,689)	(6,753)	(18,080)	(17,688)
Operating (loss) profit		(73,489)	272,681	49,932	508,060
Share of results from an associate		11,219	10,958	5,107	(80,870)
Gain on sale of property, plant and equipment		11,818	-	52,230	
Return income		13,783	13,553	25,864	25,526
Finance charges		(33,527)	(49,112)	(70,669)	(103,801)
Foreign currencies exchange differences		(10,762)	31,383	1,132	61,127
Other income		797	443	1,785	3,120
(Loss) profit for the period before contributions to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		(80,161)	279,906	65,381	413,162
Contribution to KFAS		716	(1,487)	(591)	(2,919)
Contribution to NLST		674	(5,955)	(3,694)	(10,576)
Contribution to Zakat		11	(1,997)	(1,478)	(3,334)
(Loss) profit for the period		(78,760)	270,467	59,618	396,333
Attributable to:					
Shareholders of the Parent Company		(78,159)	269,770	59,948	394,732
Non-controlling interests		(601)	697	(330)	1,601
		(78,760)	270,467	59,618	396,333
Basic and diluted (loss) earnings per share attributable to Shareholders of the Parent Company (Fils)	7	(0.48)	1.65	0.37	2.47

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
(Loss) profit for the period	<u>(78,760)</u>	<u>270,467</u>	<u>59,618</u>	<u>396,333</u>
Other comprehensive income:				
<u>Items that may be reclassified subsequently to consolidated statements of profit or loss:</u>				
Exchange differences on translating foreign operations	<u>(161,294)</u>	<u>179,891</u>	<u>80,361</u>	<u>250,361</u>
Other comprehensive (loss) income for the period	<u>(161,294)</u>	<u>179,891</u>	<u>80,361</u>	<u>250,361</u>
Total comprehensive (loss) income for the period	<u>(240,054)</u>	<u>450,358</u>	<u>139,979</u>	<u>646,694</u>
Attributable to:				
Shareholders of the Parent Company	<u>(239,453)</u>	<u>449,661</u>	<u>140,309</u>	<u>645,093</u>
Non-controlling interests	<u>(601)</u>	<u>697</u>	<u>(330)</u>	<u>1,601</u>
	<u>(240,054)</u>	<u>450,358</u>	<u>139,979</u>	<u>646,694</u>

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED JUNE 30, 2020

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company										Non-controlling interests	Total equity
	Effect of changes											
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Other components of equity	comprehensive income of associate	Foreign currencies translation reserve	Retained earnings	Subtotal			
Balance at December 31, 2019	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,458,221)	4,491,956	20,665,130	56,218	20,721,348	
Profit (loss) for the period	-	-	-	-	-	-	-	59,948	59,948	(330)	59,618	
Total other comprehensive income for the period	-	-	-	-	-	-	80,361	-	80,361	-	80,361	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	80,361	59,948	140,309	(330)	139,979	
Cash dividends - 5% (Note 8)	-	-	-	-	-	-	-	(818,409)	(818,409)	-	(818,409)	
Balance at June 30, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,377,860)	3,733,495	19,987,030	55,888	20,042,918	
Balance at December 31, 2018	16,369,277	955,086	(476,135)	84,388	(3,594)	117,874	(1,768,988)	4,841,265	20,119,173	57,297	20,176,470	
Profit for the period	-	-	-	-	-	-	-	394,732	394,732	1,601	396,333	
Total other comprehensive income for the period	-	-	-	-	-	-	250,361	-	250,361	-	250,361	
Total comprehensive income for the period	-	-	-	-	-	-	250,361	394,732	645,093	1,601	646,694	
Bonus shares - 5% (Note 8)	-	-	475,464	-	-	-	-	(475,464)	-	-	-	
Cash dividends - 5% (Note 8)	-	-	-	-	-	-	-	(779,442)	(779,442)	-	(779,442)	
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,280)	(4,280)	
Balance at June 30, 2019	16,369,277	955,086	(671)	84,388	(3,594)	117,874	(1,518,627)	3,981,091	19,984,824	54,618	20,039,442	

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

	Notes	Six months ended June 30,	
		2020	2019
Cash flows from operating activities:			
Profit for the period before contributions to KFAS, NLST and Zakat		65,381	413,162
Adjustments for:			
Depreciation		29,864	29,107
Allowance for expected credit losses charged (no longer required)		55,125	(27,732)
Gain on sale of property, plant and equipment		(52,230)	-
Share of results from associate		(5,107)	80,870
Return income		(25,864)	(25,526)
Finance charges		70,669	103,801
Provision for end of service indemnity		36,631	43,166
		174,469	616,848
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		210,332	(67,975)
Net movement in related parties		(7,143)	(15,712)
Inventories		(122,981)	11,653
Accounts payable and other credit balances		31,718	(182,691)
Cash flows generated from operations		286,395	362,123
Payment for end of service indemnity		(9,707)	(3,935)
Payment of KFAS		-	(15,814)
Payment of NLST		-	(48,084)
Payment of Zakat		-	(18,767)
Payment of Board for Directors' remuneration	8	(15,000)	(30,000)
Net cash flows generated from operating activities		261,688	245,523
Cash flows from investing activities:			
Net decrease in investment deposits		-	(500,000)
Paid for the purchase of property, plant and equipment		(1,360)	(850)
Proceeds from the sale of property, plant and equipment		276,230	-
Purchase of financial assets at fair value through profit or loss		(7,274)	-
Interest income received		25,864	22,476
Net cash flows generated from (used in) investing activities		293,460	(478,374)
Cash flows from financing activities:			
Repayment of lease liabilities		(132,373)	(500,478)
Dividends paid		(3,260)	(701,569)
Finance charges paid		(11,753)	(55,554)
Net cash flows used in financing activities		(147,386)	(1,257,601)
Net foreign exchange difference		(2,550)	(50,633)
Net increase (decrease) in cash and cash equivalents		405,212	(1,541,085)
Cash and cash equivalents at the beginning of the period		3,022,061	3,743,823
Cash and cash equivalents at the end of the period	4	3,427,273	2,202,738

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of Parent Company

Mubarrad Holding Company "the Parent Company" is a Kuwaiti public Shareholding Company registered in State of Kuwait and was incorporated pursuant to memorandum of Incorporation of a limited liability Company, authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department – under No. 366/Volume 1 dated March 6, 1996 and its subsequent amendments, the latest of which was notarized in the Parent Company's commercial registration on December 4, 2017.

The main activities for which the Parent Company was incorporated are as follows:

- Managing the Parent Company's subsidiaries and participating in managing other companies in which it holds ownership stakes and providing necessary support thereto.
- Investing funds through trading in shares, bonds, and other financial securities.
- Acquisition of properties and movables necessary to carry out business activities as allowable by the Law.
- Financing and extending loans to investee companies and providing guarantees to third parties, provided that the ownership of the Parent Company is not less than 20% in the capital of the lending company.
- Acquisition of industrial rights and related intellectual properties, trademarks, industrial models, franchises and other rights, and renting such properties and rights to subsidiaries and other companies, inside State of Kuwait or abroad.

The Parent Company is registered in the commercial register under Ref. No. 64715 on October 10, 2004.

The registered address of the Parent Company's office is Old Khaitan, Block 29, Street 22, State of Kuwait.

The Parent Company is 39.152% owned by A'ayan Leasing and Investment Group K.S.C. (Public) ("The Ultimate Parent Company").

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on August 13, 2020.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended June 30, 2020 are not necessarily indicative of the results that may be expected for the year ending on December 31, 2020. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2019.

3. Critical judgments and estimates

Impact of the Novel Coronavirus (COVID-19)

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

The Group operates in economies that are relatively dependent on the crude oil prices. At the reporting date, oil prices have witnessed unprecedented volatility and decline. The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption, due to COVID-19 outbreak, on its operations and financial performance.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in these interim condensed consolidated financial statements and explained the changes below related to the critical judgement and estimates as at and for the period ended June 30, 2020.

Critical judgements and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial information, significant judgement is exercised by management in applying the Group's accounting policies. The key sources of estimation uncertainty are consistent with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2019, with the exception of the impact of the COVID-19 outbreak on the Group which is detailed below:

i) Expected credit loss on financial assets measured at amortized cost

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at June 30, 2020. Revised ECLs were estimated based on a range of forecasted economic conditions at the reporting date and considering the fact that situation is fast evolving, the Group has also considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. These are reviewed and monitored for appropriateness on a quarterly basis. Further information on the Group's policy on expected credit losses is disclosed in Note 2 (d) to the consolidated financial statements as at and for the year ended December 31, 2019.

ii) Fair value measurement of financial instruments

The Group has considered potential impacts of the current market volatility in determination of the reported amounts of the Group's unquoted financial assets, and this represents management's best assessment based on observable available information as at the reporting date. Given the impact of COVID-19, the Group is closely monitoring whether the fair values of the financial assets and liabilities represent the price that would be achieved for transactions between market participants in the current scenario. Further information on the Group's policy in relation to fair value measurements is disclosed in Notes 2 (d) to the consolidated financial statements as at and for the year ended December 31, 2019.

iii) Investment properties, property and equipment and investment in associate ("non-financial assets")

As at the reporting date, the Group has not identified any significant impact on the carrying values of its non-financial assets as at June 30, 2020 due to the uncertainty involved in determining the effect on projected cash flows generated from these non-financial assets or the market participants expectations of the price depending on the approach used in determining the fair value of those assets at December 31, 2019. The Group is aware that certain geographies and sectors in which these assets exist are negatively impacted, and as the situation continues to unfold, the Group consistently monitors the market outlook and uses relevant assumptions in reflecting the values of these nonfinancial assets appropriately in the interim condensed consolidated financial information.

iv) Lease modification

The Group, as a lessor, has assessed that the changes in lease payments that result from clauses in the original contract or in applicable law or regulation are part of the original terms and conditions of the lease, even if the effect of those clauses (arising from an event such as the COVID-19 pandemic) was not previously contemplated. In such a case there is no lease modification for the purposes of IFRS 16.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

v) Commitments and contingent liabilities

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

vi) Going concern

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

4. Cash and cash equivalents

	June 30, 2020	December 31, 2019 (Audited)	June 30, 2019
Cash on hand and at banks	1,427,273	1,722,061	1,402,738
Short term bank deposits	2,000,000	1,300,000	800,000
	3,427,273	3,022,061	2,202,738

The effective rate of return on short term bank deposits ranged from 3.25% to 3.5% per annum (December 31, 2019: 2.81% to 3.5%, June 30, 2019: 2.81% to 3.25%).

5. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, board of directors, key management personnel, associate entities under common control and other related parties. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

	Major shareholders	Other related party	June 30, 2020	December 31, 2019 (Audited)	June 30, 2019
Due from a related party	3,389	-	3,389	-	9,000
Investment property (real estate portfolio managed by a related party)	2,560,000	-	2,560,000	2,560,000	2,431,000
Financial assets at fair value through profit or loss	-	290,705	290,705	290,705	296,022
Due to a related party	655	-	655	655	655

	Three months ended June 30,		Six months ended June 30,	
<u>Key management remuneration</u>	2020	2019	2020	2019
Short term benefits	30,454	28,048	60,043	55,880
Termination benefits	3,454	3,149	6,905	6,530
	33,908	31,197	66,948	62,410

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2020
(All amounts are in Kuwaiti Dinars)

6. Lease liabilities

	June 30, 2020	December 31, 2019 (Audited)	June 30, 2019
Gross amount of lease liabilities	2,369,410	2,509,861	2,657,192
Less: Unamortized future finance charges	(7,215)	(77,271)	(62,731)
Present value of lease liabilities	2,362,195	2,432,590	2,594,461
Analyzed by:	June 30, 2020	December 31, 2019 (Audited)	June 30, 2019
Current portion	2,356,959	2,405,522	2,334,378
Non-current portion	5,236	27,068	260,083
	2,362,195	2,432,590	2,594,461

The Parent Company renewed a finance lease agreement containing a bargain purchase option with a local bank, to finance the purchase of a right of utilization of an industrial plot, located at third Shuwaikh Industrial Area, Block (D), Plot No. (165), for a single rental annual payment due on January 2, 2021, with a bargain purchase option upon the complete settlement of the contractual payments. The finance lease agreement is renewed annually until the full settlement of the finance lease liability.

The leased asset is registered under the name of the creditor bank until the settlement of all contractual payments.

On November 8, 2015, the Subsidiary Company - Takatof Real Estate Co. E.S.C. entered into a finance lease agreement with a foreign financial institution, to finance the purchase of a land and an administrative building constructed thereon, the land is located at New Cairo City – Block No. 211, Second Sector, Arab Republic of Egypt, for 21 quarterly lease payments, the latest is due on November 15, 2020, with a bargain purchase option after completing all contractual payments. The leased asset is registered under the name of foreign financial institution until the settlement of the contractual payments. The finance lease agreement carries annual interest rate at 7.277% plus LIBOR rate.

7. Basic and diluted (loss) earnings per share attributable to shareholders of the Parent Company

There are no potential dilutive ordinary shares. The information necessary to calculate basic (loss) earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months period ended June 30,		For the six months period ended June 30,	
	2020	2019	2020	2019
(Loss) profit for the period attributable to shareholders of the Parent Company	(78,159)	269,770	59,948	394,732
	Shares	Shares	Shares	Shares
Number of outstanding shares	163,692,769	163,692,769	163,692,769	163,692,769
Less: Weighted average number of treasury shares	(10,996)	(610,069)	(10,996)	(4,187,388)
Weighted average number of outstanding shares	163,681,773	163,082,700	163,681,773	159,505,381
	Fils	Fils	Fils	Fils
Basic and diluted (loss) earnings per share attributable to Shareholders of the Parent Company	(0.48)	1.65	0.37	2.47

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8. Shareholders' Annual Ordinary General Assembly

The Shareholders' Annual Ordinary General Assembly held on June 24, 2020 approved the consolidated financial statements for the year ended December 31, 2019, cash dividends distribution of 5%, equivalent to 5 fils per share for a total amount of KD 818,409 and Board of Directors' remuneration of KD 30,000.

The Shareholders' Ordinary Annual General Assembly meeting held on April 8, 2019 approved the consolidated financial statements for the year ended December 31, 2018, distribution of 5% cash dividends (5 fils for each share held), for a total amount of KD 779,442 for the year ended December 31, 2018, 5% dividends in-kind through treasury shares and a Board of Directors' remuneration of KD 30,000.

9. Segment information

For management purposes, the following activities were classified as operating segments:

Operating activity	Description
Transportation, leasing and maintenance segment	Represents goods transport, lease and charter means of transportation and maintenance of other vehicles
Vehicles body manufacturing segment	Represents vehicles' body manufacturing, importing, marketing and exporting.
Investment segment	Represents investments available for sale and investment properties.

Information related to each reportable operating segments is set out below:

For the six months period ended June 30, 2020					
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Total revenues	167,837	252,005	611,484		1,031,326
Total costs	(216,245)	(393,593)	(361,870)		(971,708)
(Loss) profit for the period	(48,408)	(141,588)	249,614		59,618

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	3,252,472	2,113,455	30,251,285	(10,515,153)	25,102,059
Segment liabilities	(412,491)	(555,425)	(7,113,675)	3,022,450	(5,059,141)

For the year ended December 31, 2019					
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	3,214,893	2,213,872	30,063,046	(10,505,481)	24,986,330
Segment liabilities	(358,397)	(514,254)	(6,577,897)	3,185,566	(4,264,982)

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	For the six months period ended June 30, 2019			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenues	277,371	335,772	938,278	1,551,421
Total costs	(261,282)	(355,855)	(537,951)	(1,155,088)
Profit (loss) for the period	16,089	(20,083)	400,327	396,333

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	3,111,402	2,215,529	28,978,758	(9,969,422)	24,336,267
Segment liabilities	(334,886)	(485,619)	(6,604,729)	3,128,409	(4,296,825)

Information related to Geographical locations is set out below:

	For the six months period ended June 30, 2020				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Revenues	850,926	296,329	1,147,255	(115,929)	1,031,326
Segment assets	31,529,082	4,088,130	35,617,212	(10,515,153)	25,102,059
Segment liabilities	(6,619,514)	(1,462,077)	(8,081,591)	3,022,450	(5,059,141)

	For the six months period ended June 30, 2019				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Revenues	1,621,265	349,746	1,971,011	(419,590)	1,551,421
Segment assets	30,497,542	3,808,147	34,305,689	(9,969,422)	24,336,267
Segment liabilities	(5,611,884)	(1,813,350)	(7,425,234)	3,128,409	(4,296,825)

10. Fair value measurement

The Group measures its financial assets at fair value through profit or loss at fair value and investment properties at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The following table presents the Group's financial assets at fair value through profit or loss and investment properties measured at fair value, by level of fair value hierarchy:

June 30, 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,746	464,193	429,224	895,163
Investment properties	-	10,074,288	3,960,000	14,034,288
	<u>1,746</u>	<u>10,538,481</u>	<u>4,389,224</u>	<u>14,929,451</u>
December 31, 2019 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,746	456,919	429,224	887,889
Investment properties	-	10,007,371	3,960,000	13,967,371
	<u>1,746</u>	<u>10,464,290</u>	<u>4,389,224</u>	<u>14,855,260</u>
June 30, 2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3,741	469,185	428,984	901,910

Management of the Parent Company is of the view that no significant changes have occurred in fair values of the financial assets at fair value through profit or loss and investment properties during the six months period ended June 30, 2020. During the period ended June 30, 2020, there were no transfers between different levels of fair value measurement hierarchy.