

Al Madar Finance and Investment Company (K.S.C.) (Public)
and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Financial Information (Unaudited)
And review report for the three month period ended 31 March 2020

Al Madar Finance and Investment Company (K.S.C.) (Public)
and its subsidiaries
State of Kuwait

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**Messrs. Board of Directors of
Al Madar Finance and Investment Company (K.S.C.) (Public) and its subsidiaries
State of Kuwait**

Review Report on the Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Al Madar Finance and Investment Company (K.S.C.) (Public) ("The Parent Company") and its subsidiaries (together referred to as "the Group") which comprise the interim condensed consolidated statement of financial position as at 31 March 2020, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended. The preparation and fair presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 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 the 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 nothing has come to our attention indicating any material violations during the three month period ended 31 March 2020, of Companies Law No. 1 of 2016, and its executive regulations, as amended, Law No. 7 of 2010 concerning establishment of Capital Markets Authority and organization of securities activity and its executive regulations, or the Parent Company's memorandum of incorporation and articles of association, as amended, that would materially affect the Group's activities or its interim condensed consolidated financial position.

We further report that, during the course of our review, we have not become aware of any material violations during the three month period ended 31 March 2020 of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait, and the organization of banking business, and related regulations.



Qais M. Al Nisf
License No. 38 "A"
BDO Al Nisf & Partners


Kuwait: 13 August 2020

Al Madar Finance and Investment Company (K.S.C.) (Public)
and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As at 31 March 2020

		31 March	31 December	31 March
		2020	2019	2019
	Notes	KD	(audited)	KD
		KD	KD	KD
Assets				
Cash and bank balances	4	4,308,308	4,338,781	1,991,903
Financial assets at fair value through profit or loss	5	822,530	979,557	676,267
Accounts receivable and other debit balances	6	11,738,461	11,948,852	4,252,129
Due from related parties	7	316	316	22,226
Financial assets at fair value through other comprehensive income	8	37,639	41,400	52,808
Investment properties	9	10,044,359	10,044,359	25,148,415
Investment in an associate	10	422,109	434,369	252,273
Property, plant and equipment		27,555	28,111	320,886
Intangible assets		-	-	476,847
Total assets		27,401,277	27,815,745	33,193,754
Liabilities and equity				
Liabilities				
Wakala payables		-	-	4,093,116
Ijara payables		-	-	2,360,596
Accounts payable and other credit balances	11	2,455,208	2,409,933	2,501,189
Due to related parties	7	341,776	341,776	343,510
Employees' end of service indemnity		366,394	367,219	596,531
Total liabilities		3,163,378	3,118,928	9,894,942
Equity				
Share capital		21,386,865	21,386,865	21,386,865
Statutory reserve		127,140	127,140	-
Share premium		4,990,296	4,990,296	4,990,296
Treasury shares	12	(4,573,296)	(4,573,296)	(4,573,296)
Change of fair value reserve for financial assets at fair value through other comprehensive income		(97)	(4,600)	1,202
Foreign currency translation reserve		(83,470)	(61,086)	(103,796)
Other reserve		(122,147)	(122,147)	(122,147)
Proposed dividends	16	1,035,118	1,035,118	-
(Accumulated losses)/ retained earnings		(289,364)	50,633	(136,291)
Total equity attributable to shareholders of the Parent Company		22,471,045	22,828,923	21,442,833
Non-controlling interests		1,766,854	1,867,894	1,855,979
Total equity		24,237,899	24,696,817	23,298,812
Total liabilities and equity		27,401,277	27,815,745	33,193,754

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.


Hamad Saleh Hamad Al Thekeir
Vice Chairman

Al Madar Finance and Investment Company (K.S.C.) (Public)
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Interim condensed consolidated statement of income (unaudited)
For the three month period ended 31 March 2020

	Note	Three months ended 31 March	
		2020 KD	2019 KD
Revenues			
Rental income		121,607	471,261
Investment services revenues		1,897	1,859
Net sales profit		-	117,237
Change in fair value of financial assets at fair value through profit or loss		(216,717)	26,415
Realized gain on sale of financial assets at fair value through profit or loss		38,454	5,733
Group's share in business results of an associate		10,124	7,450
Loss from sale of investment properties		-	(61,284)
Other income		11,003	30,367
		<u>(33,632)</u>	<u>599,038</u>
Expenses and other charges			
General and administrative expenses		312,849	503,303
Finance costs		-	34,923
		<u>312,849</u>	<u>538,226</u>
(Loss)/ profit for the period		<u>(346,481)</u>	<u>60,812</u>
Attributable to:			
Shareholders of the Parent Company		(334,626)	37,105
Non-controlling interests		(11,855)	23,707
(Loss)/ profit for the period		<u>(346,481)</u>	<u>60,812</u>
Basic and diluted (loss)/ earnings per share for the period attributable to the Parent Company's shareholders (fils)	13	<u>(1.616)</u>	<u>0.179</u>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company (K.S.C.) (Public)
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Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the three month period ended 31 March 2020

	Three months ended	
	31 March	
	2020	2019
	KD	KD
(Loss)/ profit for the period	<u>(346,481)</u>	<u>60,812</u>
Other comprehensive income items:		
<i>Items that will not be reclassified subsequently in the interim condensed consolidated statement of income:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	(868)	240
Foreign currency translation reserve	<u>(22,384)</u>	<u>4,675</u>
Total other comprehensive (loss)/income	<u>(23,252)</u>	<u>4,915</u>
Total comprehensive (loss)/ income for the period	<u>(369,733)</u>	<u>65,727</u>
Attributable to:		
Shareholders of the Parent Company	(357,878)	42,020
Non-controlling interests	<u>(11,855)</u>	<u>23,707</u>
	<u>(369,733)</u>	<u>65,727</u>

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company (K.S.C.) (Public)
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Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the three month period ended 31 March 2020

	Share capital	Statutory reserve	Share premium	Treasury shares	Change of fair value reserve for financial assets at fair value through other comprehensive income	Foreign currency translation reserve	Other reserve	Proposed dividends	Accumulated losses	Total equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD	KD
At 1 January 2020	21,386,865	127,140	4,990,296	(4,573,296)	(4,600)	(61,086)	(122,147)	1,035,118	50,633	22,828,923	1,867,894	24,696,817
Net loss for the period	-	-	-	-	-	-	-	-	(334,626)	(334,626)	(11,855)	(346,481)
Total comprehensive loss for the period	-	-	-	-	(868)	(22,384)	-	-	-	(23,252)	-	(23,252)
Total comprehensive loss for the period	-	-	-	-	(868)	(22,384)	-	-	(334,626)	(357,878)	(11,855)	(369,733)
Derecognition of change in fair value of financial assets stated at fair value through other comprehensive income	-	-	-	-	5,371	-	-	-	(5,371)	-	-	-
Impact of change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(89,185)	(89,185)
At 31 March 2020	21,386,865	127,140	4,990,296	(4,573,296)	(97)	(83,470)	(122,147)	1,035,118	(289,364)	22,471,045	1,766,854	24,237,899
At 1 January 2019	21,386,865	-	4,990,296	(4,573,296)	962	(108,471)	(122,147)	-	(173,396)	21,400,813	1,832,272	23,233,085
Net profit for the period	-	-	-	-	-	-	-	-	37,105	37,105	23,707	60,812
Total comprehensive income for the period	-	-	-	-	240	4,675	-	-	-	4,915	-	4,915
Total comprehensive income for the period	-	-	-	-	240	4,675	-	-	37,105	42,020	23,707	65,727
At 31 March 2019	21,386,865	-	4,990,296	(4,573,296)	1,202	(103,796)	(122,147)	-	(136,291)	21,442,833	1,855,979	23,298,812

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.

Al Madar Finance and Investment Company (K.S.C.) (Public)
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Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the three month period ended 31 March 2020

	Note	Three months ended 31 March	
		2020 KD	2019 KD
Operating activities			
Net (loss)/ profit for the period		(346,481)	60,812
Adjustments:			
Depreciation and amortization		556	23,845
Finance costs		-	34,923
Change in fair value of financial assets at fair value through profit or loss		216,717	(26,415)
Realized gain on sale of financial assets at fair value through profit or loss		(38,454)	(5,733)
Loss from sale of investment properties		-	61,284
Group's share in business results of an associate		(10,124)	(7,450)
Provision no longer required - Employees' end of service indemnity		(1,668)	-
Employees' end of service indemnity		2,335	12,394
Operating (loss)/ profit before calculating effect of the change in working capital items		(177,119)	153,660
Accounts receivable and other debit balances		(109,609)	169,577
Accounts payable and other credit balances		45,275	(168,991)
<i>Cash generated from operations</i>		(241,453)	154,246
Employees end of service benefits paid		(1,492)	(124,140)
Net cash flows (used in)/ generated from operating activities		(242,945)	30,106
Investing activities			
Proceeds from sale of subsidiary		280,000	-
Paid for the acquisition of property, plant and equipment		-	(861)
Paid for purchase of financial assets at fair value through profit or loss		(2,975,577)	(510,253)
Proceeds from sale of financial assets at fair value through profit or loss		2,957,234	-
Proceeds from sale of investment properties		40,000	204,716
Net cash flows generated from/ (used in) investing activities		301,657	(306,398)
Financing activities			
Net movement in non-controlling interests		(89,185)	-
Net movement in wakala receivables		-	1,350
Net cash flows (used in)/ generated from financing activities		(89,185)	1,350
Net decrease in cash and bank balances		(30,473)	(274,942)
Cash and bank balances at the beginning of the period		4,338,781	2,266,845
Cash and bank balances at the end of the period	4	4,308,308	1,991,903

The notes on pages 7 to 19 form an integral part of this interim condensed consolidated financial information.

**Al Madar Finance and Investment Company (K.S.C.) (Public)
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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the three month period ended 31 March 2020

1. General Information

Al Madar Finance and Investment Company K.S.C. (Public) ("the Parent Company") was incorporated on 23 November 1998. The Parent Company is registered with the Central Bank of Kuwait and Capital Markets Authority as an investment company. It is listed in Boursa Kuwait on 20 June 2005.

The Parent Company is principally engaged in the following activities in compliance with the Islamic Sharia as follows:

- Promoting and marketing shares and bonds of all types for the favor of the Company according to Islamic Shari'a.
- Investment in all types of movables whether for its own favor or for others by way of agency or brokerage except for the Company's trading in commodities for its favor.
- Lending, borrowing and financing international trading transactions as well as issue and exchange of Islamic bonds of all kinds and forms for its clients.
- Portfolio management as per relevant laws and according to Islamic Shari'a.
- Purchase, lease, acquisition, rent, licensing of all kinds of investment equipment and subsequent sale or disposal thereof.
- Carry out real estate investments for the Parent Company's account or for third parties.
- Providing research and studies and other technical services related to investment and employing funds for others.
- Establishing and managing investment funds as per relevant laws and regulations and after approval of concerned parties.

The Parent Company may have interests or participate in any suitable way with entities that engage in similar business activities or that may help the Company achieve its objectives inside the State of Kuwait or abroad. It may also incorporate, purchase or affiliate such entities.

The Parent Company is domiciled in Kuwait and its registered office is P.O. Box 1376, Safat 13014, Kuwait.

The Parent Company is subsidiary to Al Thekair General Trading and Contracting Company W.L.L. ("the Ultimate Parent Company").

The interim condensed consolidated financial information of Al Madar Finance and Investment Company K.S.C. (Public) and its subsidiaries ("the Group") for the three month period ended 31 March 2020 were authorized for issue by the Parent Company's board of directors on 13 August 2020.

2. Basis of preparation

This interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the guidelines issued by the Capital Markets Authority ("CMA"), Kuwait Stock Exchange ("KSE") and the Central Bank of Kuwait ("CBK").

2. Basis of preparation (Continued)

This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as modified for use by the State of Kuwait for financial services institutions regulated by the CBK. These regulations require adoption of all IFRSs except for the requirements of IFRS 9: financial instruments related to the expected credit risk, which have been replaced by CBK instructions.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

This interim condensed consolidated financial information does not include all the information and disclosures required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS").

Operating results for the three month period ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2020. For further information, please refer to the annual audited consolidated financial statements of the Group for the year ended 31 December 2019.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

2.1 Significant accounting policies

The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2019. Certain amendments are effective from 1 January 2020 but do not have a material effect on the Company's interim condensed financial information. The details of such amendments are as follows:

- Amendments to IFRS 3: Definition of a Business.
 - Amendments to IFRS 7, IFRS 9, IAS 39: Interest Rate Benchmark Reform.
 - Amendments to IAS 1 and IAS 8: Definition of Material.
- Conceptual Framework for Financial Reporting.

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Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
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3. Subsidiaries

The details of subsidiaries are as follows:

Name of the Company	Country of incorporation	Activity	Percentage of holding		
			31 March 2020	31 December 2019 (audited)	31 March 2019
Dar Al-Thuraya Real Estate Co. K.S.C. (Public)	State of Kuwait	Real estate	88.91%	88.35%	88.35%
Fiduciary International For Programming and Printing Software Company W.L.L.	State of Kuwait	Programming and operating computer, printing and distribution of software and computers	-	-	99%
Al Madar Real Estate Development Company K.S.C. (Closed)	State of Kuwait	Real estate	98.5%	98.5%	98.5%
Althuraya for Warehousing & Cold Storage K.S.C. (Closed)	State of Kuwait	Warehousing	96%	96%	96%

During the period ended 31 March 2020, the Group has consolidated the interim condensed financial information of Al Madar Real Estate Development Company K.S.C. (Closed) and Althuraya for Warehousing & Cold Storage K.S.C. (Closed) based on interim financial information prepared by the management as at 31 March 2020.

During the period ended 31 March 2020, the Parent Company purchased 825,000 shares at KD 89,185 representing 0.563% in its subsidiary, Dar Al-Thuraya Real Estate Co. K.S.C. (Public), leading to increasing the Parent Company's share in its subsidiary to 88.91%.

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3. Subsidiaries (Continued)

The interim condensed consolidated financial information includes the interim condensed financial information of Dar Al-Thuraya Real Estate Co. K.S.C. (Public) and its following subsidiaries:

Name of the Company	Country of incorporation	Activity	Percentage of holding		
			31 March 2020	31 December 2019 (audited)	31 March 2019
Althuraya Star Co. W.L.L.	State of Kuwait	General Trading and Contracting	99%	99%	99%
Kuwait Building Real Estate Company K.S.C. (Closed)	State of Kuwait	Real estate	96%	96%	96%
Pack & Move Holding - K.S.C. (Closed)	State of Kuwait	Holding	-	-	99.88%
Golden Madar Real Estate Company W.L.L.	State of Kuwait	Real estate	98%	98%	98%

4. Cash and bank balances

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Bank balances	4,306,706	4,335,308	1,844,460
Cash on hand	1,602	3,473	147,443
	<u>4,308,308</u>	<u>4,338,781</u>	<u>1,991,903</u>

The average effective yield rate on savings accounts was 0.4% as at 31 March 2020 (31 December 2019: 0.75% and 31 March 2019: 0.75%).

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5. Financial assets at fair value through profit or loss

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Investment in quoted local shares portfolio	815,028	961,818	547,619
Investments in unquoted local shares	7,502	17,739	33,558
Investments in portfolio - local funds	-	-	41,147
Investments in portfolio – foreign funds	-	-	53,943
	<u>822,530</u>	<u>979,557</u>	<u>676,267</u>

Valuation techniques for investments at fair value through statement of income are disclosed in Note 17.

6. Accounts receivable and other debit balances

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Trade receivables	1,783,252	1,783,252	1,783,252
Less: provision for expected credit loss	(1,749,649)	(1,749,649)	(1,749,649)
	<u>33,603</u>	<u>33,603</u>	<u>33,603</u>
Receivables from sale of financial and real estate investments and services (a)	2,625,140	2,665,140	1,152,369
Amount due from sale of a subsidiary (b)	6,720,000	7,000,000	-
Accrued rentals	99,847	83,387	21,629
Staff receivables	5,302	5,863	10,351
Prepaid expenses	1,280,402	1,264,894	746,353
Due from financial institutions	403,223	492,408	-
Other receivables	570,944	403,557	2,287,824
	<u>11,738,461</u>	<u>11,948,852</u>	<u>4,252,129</u>

- a) It represents the Group's accrued amounts from the sell of some of its investment properties during the year ended 31 December 2019.
- b) This represents the amounts due from transaction of the Group when it sold one of its subsidiaries during the year ended 31 December 2019. Subsequent to date of the interim condensed consolidated financial information for the period ended 31 March 2020, the amount was received in full.
- Receivables from sale of financial and real estate investments and services item has been presented after deducting the expected credit loss provision of KD 54,888 as at 31 March 2020 (31 December 2019: KD 54,888 and 31 March 2019: KD 780,916).

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6. Accounts receivable and other debit balances (Continued)

- Accrued rentals item has been presented after deducting the expected credit loss provision of KD 764,444 as at 31 March 2020 representing provisions recorded in subsidiaries (31 December 2019: KD 764,444 and 31 March 2019: KD 776,404).
- Other receivables item has been presented after deducting the expected credit loss provision of KD 17,001 as at 31 March 2020 (31 December 2019: KD 17,001 and 31 March 2019: KD 481,216).
- The maximum exposure to credit risks at the reporting date is the fair value of each class of receivables. The Group holds guarantees of KD 33,603 for trade receivables as at 31 March 2019 (31 December 2019: KD 33,603 and 31 March 2019: KD 33,603).
- The Group does not charge any financial charges on the overdue receivables.

7. Related party transactions

Related parties comprise of the Group's shareholders who are members of the Board of Directors, key management personnel, and subsidiaries in which the Parent Company has representatives in their board. In the normal course of business, and subject to the approval of the Group's management, transactions were made with such parties during the period ended 31 March 2020. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Balances due from/to related parties and related party transaction are as follows:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	<u>KD</u>	<u>KD</u>	<u>KD</u>
Interim condensed consolidated statement of financial position:			
Financial assets at fair value through profit or loss	-	-	547,619
Accounts payable and other credit balances - board of directors' remuneration	25,000	25,000	-
Due from related parties	316	316	22,226
Due to related parties	341,776	341,776	343,510
		Three months ended 31 March	
		2020	2019
		<u>KD</u>	<u>KD</u>
Interim condensed consolidated statement of income:			
Salaries and other short term benefits		46,339	15,527
End of service benefits		4,083	3,168
		50,422	18,695

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8. Financial assets at fair value through other comprehensive income

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Investment in quoted local shares	1,445	2,314	2,936
Investments in unquoted local shares	-	2,892	13,678
Investment in foreign unquoted shares	36,194	36,194	36,194
	<u>37,639</u>	<u>41,400</u>	<u>52,808</u>

Financial assets at fair value through other comprehensive income include unquoted foreign shares at an actual cost of KD 3,698,839 (31 December 2019: KD 3,698,839 and 31 March 2019: KD 3,698,839) brought forward from 2009. Since these investments are the subject of a legal dispute, management decided to reduce the cost of these investments in full in the previous years until they are finally resolved.

Valuation techniques of the financial assets at fair value through other comprehensive income are disclosed in Note 17.

9. Investment properties

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Investment properties			
Balance at beginning of the period/year/period	7,460,604	23,142,848	23,142,848
Additions	-	3,885,000	-
Disposals	-	(13,928,000)	(1,219,000)
Change in fair value	-	(41,293)	-
Foreign currency translation differences	-	(2,951)	-
Impact of disposal of a subsidiary	-	(5,595,000)	-
Balance at end of the period/year/period	<u>7,460,604</u>	<u>7,460,604</u>	<u>21,923,848</u>
Properties under development			
Balance at beginning of the period/year/period	2,583,755	3,351,567	3,351,567
Disposals	-	(602,549)	(127,000)
Change in fair value	-	(163,115)	-
Foreign currency translation differences	-	(2,148)	-
Balance at end of the period/year/period	<u>2,583,755</u>	<u>2,583,755</u>	<u>3,224,567</u>
Balance at end of the period/year/period	<u>10,044,359</u>	<u>10,044,359</u>	<u>25,148,415</u>

An investment property was recognized based on the initial purchase contract and special power of attorney. Transfer of shares is in process during the subsequent period.

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9. Investment properties (Continued)

An investment property was recognized based on final title deed that is mortgaged to a local bank.

During the financial year ended 31 December 2019, the Group sold an investment property at carrying value of KD 2,272,000. Ownership of such property was not transferred until issuance date of the interim condensed consolidated financial information ended 31 March 2020.

10. Investment in associates

Name of associate	Country of incorporation	Measurement method	Activity	Voting rights and equity interest %		
				31 March 2020	31 December 2019 (audited)	31 March 2019
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)	The Arab Republic of Egypt	Equity method	Medical devices and equipment	41.95%	41.95%	30.26%
				31 December 2019 (Audited)	31 March 2019	
Name of associate				31 March 2020	31 March 2019	
				KD	KD	KD
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)				422,109	434,369	252,273

The Group's share in results of the associate is recorded based on the management accounts prepared by the management as at 31 March 2020 as the associate did not have available financial statements as at 31 March 2020.

11. Accounts payable and other credit balances

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Trade payables	3,572	8,293	9,543
Accrued expenses	144,057	145,524	201,183
Purchase of investment properties payable	45,000	45,000	3,960
Provision for employees leave	59,083	51,206	76,786
National Labor Support Tax	300,343	304,540	291,352
ZAKAT	121,730	124,683	117,815
Contribution to Kuwait Foundation for the Advancement of Sciences	17,359	13,456	-
Other payables	1,764,064	1,717,231	1,800,550
	<u>2,455,208</u>	<u>2,409,933</u>	<u>2,501,189</u>

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12. Treasury shares

	31 March 2020	31 December 2019 (Audited)	31 March 2019
Number of shares purchased (No's)	6,845,096	6,845,096	6,845,096
Ownership percentage (treasury shares percentage to total issued shares)	3.2 %	3.2 %	3.2 %
Cost (KD)	4,573,296	4,573,296	4,573,296
Market value (KD)	616,059	610,583	1,163,666

The Parent Company is committed to keeping reserves and capital share premium equal to the purchased treasury shares cost which are non-distributable along acquisition period by the Parent Company in accordance with instructions of the concerned regulatory authorities.

13. Basic and diluted (loss)/ earnings per share for the period attributable to the Parent Company's shareholders (fils)

Basic and diluted (loss) / earnings per share is computed by dividing net (loss) / profit for the period attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

	Three months ended 31 March	
	2020	2019
(Loss)/ profit for the period attributable to shareholders of the Parent Company (KD)	(334,626)	37,105
Weighted average number of shares outstanding:		
Number of issued shares (share)	213,868,650	213,868,650
Less: Weighted average number of treasury shares (shares)	(6,845,096)	(6,845,096)
Weighted average number of outstanding shares	207,023,554	207,023,554
Basic and diluted (loss)/ earnings per share for the period attributable to the Parent Company's shareholders (fils)	(1.616)	0.179

14. Fiduciary assets

Fiduciary assets comprise of investments and funds managed on behalf of clients. These assets are not owned by the Parent Company, and accordingly they are not included in the interim condensed consolidated financial information. At the interim condensed consolidated statement of financial position date, total fiduciary assets managed on behalf of clients amounted to KD 4,338,000 (31 December 2019: KD 4,444,000 and 31 March 2019: KD Nil) including a portfolio managed on behalf of a related party of 1,181,096 as at 31 March 2020 (31 December 2019: KD 1,254,324 and 31 March 2019: Nil).

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15. Segment Information

Operating segments are identified based on the internal reports of Group segments which are regularly reviewed by the Chairman and general manager as the principal decisions makers in the Group so as to allocate resources to and evaluate performance of these segments on an ongoing basis.

The operating segments that meet the conditions and criteria for reporting them in the interim condensed consolidated financial statements and are used in the internal reports regularly submitted to decision makers are as follows:

a. Real estate:

This sector represents investing in investment properties to generate rental income, for capital appreciation, or for trading purposes.

b. Financial investments:

This sector represents investment in short term money market instruments, investment in shares of listed and unlisted companies whose articles of association and activities are in compliance with rules of the noble Islamic Shari'a.

c. Corporate finance

Activity of this segment is to provide finance to companies by using the different Islamic financing instruments, i.e. Murabaha, Wakala, future sales and other contracts that are in compliance with rules of the noble Islamic Shari'a.

d. Other

This includes the revenues and expenses that are not included under the above sectors.

Summarized information in respect of the Group's segment information is given below:

	Segment revenues		Segment (loss) / profit	
	Three months ended		Three months ended	
	31 March		31 March	
	2020	2019	2020	2019
	KD	KD	KD	KD
Investment properties	121,607	409,977	121,607	409,977
Financial investments	(168,139)	39,598	(168,139)	39,598
Corporate finance	-	-	-	(34,923)
Other	12,900	137,335	12,900	149,463
	(33,632)	586,910	(33,632)	564,115
General and administrative expenses			(312,849)	(503,303)
(Loss)/ profit for the period			(346,481)	60,812

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15. Segment information (Continued)

The assets and liabilities of the different operating segments are analysed as follows:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Segment assets			
Investment properties	10,044,359	15,045,359	25,148,415
Financial investments	8,002,278	8,455,326	981,348
Corporate finance	316	316	33,603
Other	9,354,324	4,314,744	7,030,388
	<u>27,401,277</u>	<u>27,815,745</u>	<u>33,193,754</u>
	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Segment liabilities			
Corporate finance	341,776	341,776	6,453,712
Other	2,821,602	2,777,152	3,441,230
	<u>3,163,378</u>	<u>3,118,928</u>	<u>9,894,942</u>

16. Shareholders general assembly

The annual general assembly meeting of shareholders held on 5 April 2020 approved the annual audited consolidated financial statements of the Group for the year ended 31 December 2019 and approved distribution of dividends to the shareholders of KD 1,035,118 for the year end 31 December 2019 and distribution of board of directors' remuneration of KD 25,000 for the financial year ended 31 December 2019.

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17. Financial instruments

Categories of financial instruments

The financial assets and liabilities of the Group have been classified in the interim condensed consolidated statement of financial position as follows:

	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Financial assets			
Cash and bank balances	4,308,308	4,338,781	1,991,903
Financial assets at fair value through profit or loss	822,530	979,557	676,267
Receivables and other debit balances (excluding prepaid expenses)	10,458,059	10,683,958	3,505,776
Due from related parties	316	316	22,226
Financial assets at fair value through other comprehensive income	37,639	41,400	52,808
	<u>15,626,852</u>	<u>16,044,012</u>	<u>6,248,980</u>
	31 March 2020	31 December 2019 (Audited)	31 March 2019
	KD	KD	KD
Financial liabilities			
Wakala payables	-	-	4,093,116
Ijara payables	-	-	2,360,596
Accounts payable and other credit balances	2,455,208	2,409,933	2,501,189
Due to related parties	341,776	341,776	343,510
	<u>2,796,984</u>	<u>2,751,709</u>	<u>9,298,411</u>

Fair value of financial instruments

The fair value represents 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 following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (inputs relating to prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

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17. Financial instruments (Continued)

31 March 2020	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets:				
Financial assets at fair value through profit or loss	815,028	-	7,502	822,530
Financial assets at fair value through other comprehensive income	1,445	-	36,194	37,639
	<u>816,473</u>	<u>-</u>	<u>43,696</u>	<u>860,169</u>
31 December 2019 (audited)	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets:				
Financial assets at fair value through profit or loss	961,818	-	17,739	979,557
Financial assets at fair value through other comprehensive income	2,314	-	39,086	41,400
	<u>964,132</u>	<u>-</u>	<u>56,825</u>	<u>1,020,957</u>
31 March 2019	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
Financial assets:				
Financial assets at fair value through profit or loss	547,619	5,968	122,680	676,267
Financial assets at fair value through other comprehensive income	2,936	-	49,872	52,808
	<u>550,555</u>	<u>5,968</u>	<u>172,552</u>	<u>729,075</u>

18. The economic situation due to Coronavirus

Due to the current major events resulted in spread of Novel Coronavirus (COVID-19), which affected the global economic situation, local and international financial markets have been affected by decline in market prices. Consequently, the Group has been materially affected by these events, which resulted in realized material losses to the financial assets at fair value through profits or losses for the financial period ended 31 March 2020. Accordingly, it is difficult to compare the results of the Group's business for the financial period ended 31 March 2020 with the comparison period.

The Group considers that the time period for this event is not specified and it is difficult to anticipate any future results that might arise therefrom. Therefore, the financial impact cannot be reasonably determined on the Group's future results until the reporting date.