

**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 Six Month Period Ended 30 June 2020

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

Interim condensed consolidated financial information (unaudited)
For the six month period ended 30 June 2020

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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**

Report on Review of 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 30 June 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 six month period ended 30 June 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 six month period ended 30 June 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 its 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 30 June 2020

	Notes	30 June 2020 KD	31 December 2019 (audited) KD	30 June 2019 KD
Assets				
Cash and bank balances	4	7,019,101	4,338,781	3,935,890
Financial assets at fair value through profit or loss	5	3,927,281	979,557	138,916
Accounts receivable and other debit balances	6	4,973,290	11,948,852	7,765,721
Due from related parties	7	316	316	23,028
Financial assets at fair value through other comprehensive income	8	38,268	41,400	52,478
Investment properties	9	10,044,359	10,044,359	19,821,866
Investment in an associate	10	416,883	434,369	252,273
Property, plant and equipment		26,998	28,111	310,914
Intangible assets		-	-	464,973
Total assets		<u>26,446,496</u>	<u>27,815,745</u>	<u>32,766,059</u>
Liabilities and equity				
Liabilities				
Wakala payables		-	-	3,636,816
Ijara payables		-	-	2,358,445
Accounts payable and other credit balances	11	2,368,628	2,409,933	2,459,926
Due to related parties	7	341,776	341,776	343,510
Employees' end of service indemnity		376,978	367,219	529,761
Total liabilities		<u>3,087,382</u>	<u>3,118,928</u>	<u>9,328,458</u>
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		532	(4,600)	872
Foreign currency translation reserve		(76,346)	(61,086)	(103,796)
Other reserve		(122,147)	(122,147)	(122,147)
Proposed dividends	16	-	1,035,118	-
(Accumulated losses) / retained earnings		(165,237)	50,633	(49,686)
Total equity attributable to shareholders of the Parent Company		<u>21,567,807</u>	<u>22,828,923</u>	<u>21,529,108</u>
Non-controlling interests		<u>1,791,307</u>	<u>1,867,894</u>	<u>1,908,493</u>
Total Equity		<u>23,359,114</u>	<u>24,696,817</u>	<u>23,437,601</u>
Total liabilities & equity		<u>26,446,496</u>	<u>27,815,745</u>	<u>32,766,059</u>

The accompanying notes on pages 7 to 17 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) and its subsidiaries
State of Kuwait

Interim Condensed Consolidated Statement of Income (Unaudited)
For the six month period ended 30 June 2020

	Note	Three months ended 30 June		Six months ended 30 June	
		2020	2019	2020	2019
		KD	KD	KD	KD
Income					
Rental income		77,448	416,806	199,055	888,067
Investment services revenues		1,898	36,104	3,795	37,963
Net sales profit		-	27,998	-	145,235
Change in fair value of financial assets at fair value through profit or loss		(47,961)	(21,365)	(264,678)	5,050
Realized profit / (loss) from sale of financial assets at fair value through profit or loss		184,015	(2,183)	222,469	3,550
Cash dividends from financial assets at fair value through profit or loss		182,055	20,288	182,055	20,288
Group's share in business results of an associate		9,822	-	19,946	7,450
Profits on sale of investment properties		-	79,450	-	18,166
Write back of provision for expected credit losses		-	72,697	-	72,697
Realized profit from settlement of wakala payables		-	114,020	-	114,020
Other income		(9)	4,778	10,994	35,145
Total income		<u>407,268</u>	<u>748,593</u>	<u>373,636</u>	<u>1,347,631</u>
Expenses and other charges					
General and Administrative Expenses		185,938	583,086	498,787	1,086,389
Provision for expected credit loss - accrued rentals		72,750	-	72,750	-
Finance costs		-	26,388	-	61,311
Total expenses & other charges		<u>258,688</u>	<u>609,474</u>	<u>571,537</u>	<u>1,147,700</u>
Net profit/(loss) for the period		<u>148,580</u>	<u>139,119</u>	<u>(197,901)</u>	<u>199,931</u>
Attributable to:					
Shareholders of the Parent Company		124,127	86,605	(210,499)	123,710
Non-controlling interests		24,453	52,514	12,598	76,221
Profit / (loss) for the period		<u>148,580</u>	<u>139,119</u>	<u>(197,901)</u>	<u>199,931</u>
Basic and diluted earnings/(loss) per share for the period attributable to the Parent Company's shareholders / (fils)	13	<u>0.60</u>	<u>0.42</u>	<u>(1.02)</u>	<u>0.60</u>

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

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

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the six month period ended 30 June 2020

	Three months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	KD	KD	KD	KD
Profit / (loss) for the period	148,580	139,119	(197,901)	199,931
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	629	(330)	(239)	(90)
Foreign currency translation reserve	7,124	-	(15,260)	4,675
Total other comprehensive income / (loss)	7,753	(330)	(15,499)	4,585
Total comprehensive income/(loss) for the period	156,333	138,789	(213,400)	204,516
Attributable to:				
Shareholders of the Parent Company	131,880	86,275	(225,998)	128,295
Non-controlling interests	24,453	52,514	12,598	76,221
	156,333	138,789	(213,400)	204,516

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

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

Interim Condensed consolidated Statement of Changes in Equity (Unaudited)
For the six month period ended 30 June 2020

	Share capital KD	Statutory reserve KD	Share premium KD	Treasury shares KD	Change of fair value reserve for financial assets at fair value through other comprehensive income KD	Foreign currency translation reserve KD	Other reserve KD	Proposed dividends KD	Accumulated losses KD	Total equity attributable to shareholders of the Parent Company KD	Non-controlling interests KD	Total equity 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)/profit for the period	-	-	-	-	-	-	-	-	(210,499)	(210,499)	12,598	(197,901)
Total comprehensive loss for the period	-	-	-	-	(239)	(15,260)	-	-	-	(15,499)	-	(15,499)
Total comprehensive (loss)/income for the period	-	-	-	-	(239)	(15,260)	-	-	(210,499)	(225,998)	12,598	(213,400)
Dividends	-	-	-	-	-	-	-	(1,035,118)	-	(1,035,118)	-	(1,035,118)
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 30 June 2020	21,386,865	127,140	4,990,296	(4,573,296)	532	(76,346)	(122,147)	-	(165,237)	21,567,807	1,791,307	23,359,114
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	-	-	-	-	-	-	-	-	123,710	123,710	76,221	199,931
Comprehensive (loss)/income for the period	-	-	-	-	(90)	4,675	-	-	-	4,585	-	4,585
Total comprehensive (loss)/income for the period	-	-	-	-	(90)	4,675	-	-	123,710	128,295	76,221	204,516
At 30 June 2019	21,386,865	-	4,990,296	(4,573,296)	872	(103,796)	(122,147)	-	(49,686)	21,529,108	1,908,495	23,437,601

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

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

Interim condensed consolidated statement of cash flows (unaudited)

For the six month period ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 KD	2019 KD
Operating activities			
Net (loss)/profit for the period		(197,901)	199,931
Adjustments:			
Depreciation and amortization		1,113	47,655
Finance costs		-	61,311
Change in fair value of financial assets at fair value through profit or loss		264,678	(5,050)
Realized gain on sale of financial assets at fair value through profit or loss		(222,469)	(3,550)
Cash dividends from financial assets at fair value through profit or loss		(182,055)	-
Profits on sale of investment properties		-	(18,166)
Group's share in business results of an associate		(19,946)	(7,450)
Write back of provision for expected credit losses		-	(72,697)
Provision for expected credit loss - accrued rentals		72,750	-
Provision no longer required - Employees' end of service indemnity		(1,668)	-
Realized profit from settlement of wakala payables		-	(114,020)
Employees' end of service indemnity		12,919	32,797
Operating (loss) / profit before calculating effect of changes in working capital items		(272,579)	120,761
Accounts receivable and other debit balances		35,459	924,682
Due from/to related parties - net		-	(802)
Accounts payable and other credit balances		(41,305)	(223,531)
Cash (used in) / generated from operations		(278,425)	821,110
Employees end of service benefits paid		(1,492)	(211,313)
Net cash flows (used in)/from operating activities		(279,917)	609,797
Investing activities			
Proceeds from sale of subsidiary		7,000,000	-
Paid for the acquisition of property, plant and equipment		-	(2,825)
Proceeds from sale of financial assets at fair value through profit or loss		7,203,904	513,803
Paid for purchase of financial assets at fair value through profit or loss		(10,190,944)	(510,253)
Cash dividends received from financial assets at fair value through profit or loss		31,580	-
Dividends from associate		-	13,277
Proceeds from sale of investment properties		40,000	1,414,715
Cash dividends paid		(1,035,118)	-
Net cash flows from investment activities		3,049,422	1,428,717
Financing activities			
Finance costs paid		-	(28,539)
Net movement in non-controlling interests		(89,185)	-
Net movement in wakala receivables		-	(340,930)
Net cash used in financing activities		(89,185)	(369,469)
Net increase in bank balances and cash		2,680,320	1,669,045
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	7,019,101	3,935,890

The accompanying notes on pages 7 to 17 form an integral part of this interim condensed consolidated financial information.

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 six month period ended 30 June 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").

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.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six month period ended 30 June 2020

2. Basis of preparation (Continued)

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 six month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 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.

3. Subsidiaries

The details of subsidiaries are as follows:

Name of the Company	Country of incorporation	Activity	Percentage of holding		
			30 June 2020	31 December 2019 (audited)	30 June 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%

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

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six month period ended 30 June 2020

3. Subsidiaries (Continued)

During the period ended 30 June 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 30 June 2020.

During the period ended 30 June 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%.

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		
			30 June 2020	31 December 2019 (audited)	30 June 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

	30 June 2020	31 December 2019 (Audited)	30 June 2019
	KD	KD	KD
Bank balances	7,017,500	4,335,308	3,755,286
Cash on hand	1,601	3,473	180,604
	<u>7,019,101</u>	<u>4,338,781</u>	<u>3,935,890</u>

5. Financial assets at fair value through profit or loss

	30 June 2020	31 December 2019 (Audited)	30 June 2019
	KD	KD	KD
Investment in quoted local shares	3,919,779	961,818	-
Investment in unquoted local shares	7,502	17,739	43,826
Investments in portfolio - local funds	-	-	41,147
Investments in portfolio – foreign funds	-	-	53,943
	<u>3,927,281</u>	<u>979,557</u>	<u>138,916</u>

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

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six month period ended 30 June 2020

6. Accounts receivable and other debit balances

	30 June 2020	31 December 2019 (Audited)	30 June 2019
	KD	KD	KD
Trade receivables	1,783,252	1,783,252	1,783,252
Less: provision for ECLs	(1,749,649)	(1,749,649)	(1,749,649)
	33,603	33,603	33,603
Receivables from sale of financial and real estate investments and services (a)	2,625,140	2,665,140	5,767,017
Due from sale of subsidiary	-	7,000,000	-
Accrued rentals	41,879	83,387	25,169
Staff receivables	6,854	5,863	11,848
Prepaid expenses	1,286,535	1,264,894	952,235
Due from financial institutions	403,223	492,408	-
Other receivables	576,056	403,557	975,849
	<u>4,973,290</u>	<u>11,948,852</u>	<u>7,765,721</u>

a) It represents the amounts due from transaction of the Group when it sold some of its investment properties during the year ended 31 December 2019.

- 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 30 June 2020 (31 December 2019: KD 54,888 and 30 June 2019: KD 709,356).
- Accrued rentals item has been presented after deducting the expected credit loss provision of KD 837,194 as at 30 June 2020 representing provisions recorded in subsidiaries (31 December 2019: KD 764,444 and 30 June 2019: KD 776,404).
- Other receivables item has been presented after deducting the expected credit loss provision of KD 17,001 as at 30 June 2020 (31 December 2019: KD 17,001 and 30 June 2019: KD 480,079).

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 30 June 2020 (31 December 2019: KD 33,603 and 30 June 2019: KD 33,603).

The Group does not charge any financial charges on the overdue receivables.

Movement on provision for ECLs for accrued rentals is as follows:

	30 June 2020	31 December 2019 (Audited)	30 June 2019
	KD	KD	KD
Balance at 1 January	764,444	776,404	776,404
Charged during the year	72,750	14,152	-
Write back provision for expected credit losses	-	(26,112)	-
Balance at 31 December	<u>837,194</u>	<u>764,444</u>	<u>776,404</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six month period ended 30 June 2020

6. Accounts receivable and other debit balances (Continued)

ECLs of accrued rentals that were determined as stated below:

31 December 2019	Less than 90 days KD	91-180 days KD	181 – 365 days KD	More than 365 days KD	Total KD
ECLs rate (%)	74%	81%	94%	100%	-
Expected credit loss (ECLs)	15,290	12,604	785,676	-	813,570

During the period ended 30 June 2020, a provision for expected credit losses of accrued rentals of KD 72,750 was added, accordingly, balance of provision for expected credit losses became KD 837,194 with an increase over the provision calculated based on the provision matrix with an amount of KD 23,624.

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 30 June 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:

	30 June 2020 KD	31 December 2019 (Audited) KD	30 June 2019 KD
Interim condensed consolidated statement of financial position:			
Accounts payable and other credit balances - board of directors' remuneration	-	25,000	-
Due from related parties	316	316	23,028
Due to related parties	341,776	341,776	343,510
Interim condensed consolidated statement of income:			
Salaries and other short term benefits	33,013	15,563	79,352
End of service benefits	3,164	3,240	6,408
	36,177	18,803	86,599
			37,498

Notes to the Interim Condensed Consolidated Financial Information (Unaudited)
For the six month period ended 30 June 2020

8. Financial assets at fair value through other comprehensive income

	30 June 2020	31 December 2019 (Audited)	30 June 2019
	KD	KD	KD
Investment in quoted local shares	2,074	2,314	2,607
Investment in unquoted local shares	-	2,892	13,679
Investment in unquoted foreign shares	36,194	36,194	36,192
	<u>38,268</u>	<u>41,400</u>	<u>52,478</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 30 June 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

	30 June 2020	31 December 2019 (audited)	30 June 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)	(6,070,000)
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>17,072,848</u>
 Properties under development			
Balance at beginning of the period/year/period	2,583,755	3,351,567	3,351,567
Disposals	-	(602,549)	(602,549)
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>2,749,018</u>
Balance at end of the period/year/period	<u>10,044,359</u>	<u>10,044,359</u>	<u>19,821,866</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.

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 30 June 2020.

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10. Investment in an associate

The details of investments in associates are as follows:

Name of associate	Country of incorporation	Measurement method	Activity	Voting rights and equity interest %		
				30 June 2020	31 December 2019 (audited)	30 June 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%

Name of associate	30 June 2020 KD	31 December 2019 (Audited) KD	30 June 2019 KD
Egyptian Saudi Company for Medical Equipment MASCOMED (S.A.E)	416,883	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 30 June 2020 as the associate did not have available financial statements as at 30 June 2020.

11. Accounts payable and other credit balances

	30 June 2020 KD	31 December 2019 (Audited) KD	30 June 2019 KD
Trade payables	1,224	8,293	52,392
Accrued expenses	126,157	145,524	200,066
Purchase of land and financial investments payables	44,500	45,000	2,550
Provision for employees leave	39,184	51,206	81,423
National Labor Support Tax	304,568	304,540	272,440
ZAKAT	123,420	124,683	108,976
Contribution to Kuwait Foundation for the Advancement of Sciences	17,359	13,456	-
Other payables	1,712,216	1,717,231	1,742,079
	<u>2,368,628</u>	<u>2,409,933</u>	<u>2,459,926</u>

12. Treasury shares

	30 June 2020	31 December 2019 (Audited)	30 June 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)	<u>4,573,296</u>	<u>4,573,296</u>	<u>4,573,296</u>
Market value (KD)	<u>527,072</u>	<u>610,583</u>	<u>878,910</u>

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12. Treasury shares (Continued)

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. Treasury shares are retained for certain creditors.

13. Basic and diluted profit / (loss) per share attributable to shareholders of the Parent Company / (fils)

Basic and diluted earnings / (loss) per share is computed by dividing net earnings / (loss) 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 30 June		Six months ended 30 June	
	2020	2019	2020	2019
Net profit / (loss) for the period attributable to shareholders of the Parent Company (KD)	124,127	86,605	(210,499)	123,710
Weighted average number of shares outstanding:				
Number of issued shares (share)	213,868,650	213,868,650	213,868,650	213,868,650
Less: Weighted average number of treasury shares (shares)	(6,845,096)	(6,845,096)	(6,845,096)	(6,845,096)
Weighted average number of outstanding shares	207,023,554	207,023,554	207,023,554	207,023,554
Basic and diluted earnings per share attributable to Shareholders of the Parent Company / (fils)	0.60	0.42	(1.02)	0.60

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. As at the interim condensed consolidated financial position date, total fiduciary assets managed on behalf of clients amounted to KD 4,729,000 (31 December 2019: KD 4,444,000, and 30 June 2019: KD 4,920,000) including a portfolio managed on behalf of a related party of KD 1,554,142 as at 30 June 2020 (31 December 2019: KD 1,254,324 and 30 June 2019: 1,718,358).

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.

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15. Segment information (Continued)

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 profit	
	Six months ended 30 June		Six months ended 30 June	
	2020	2019	2020	2019
	KD	KD	KD	KD
Investment properties	199,055	906,233	199,055	906,233
Financial investments	159,792	36,338	159,792	36,338
Other	14,789	405,060	14,789	343,749
	373,636	1,347,631	373,636	1,286,320
General and administrative expenses			(498,787)	(1,086,389)
Provision for expected credit losses			(72,750)	-
Net profit for the period			(197,901)	199,931

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

Segment assets	30 June	31 December	30 June
	2020	2019	2019
	KD	(Audited) KD	KD
Investment properties	10,044,359	15,045,359	19,821,866
Financial investments	4,382,432	8,455,326	443,667
Corporate finance	316	316	23,028
Other	12,019,389	4,314,744	12,477,498
Total segment assets	26,446,496	27,815,745	32,766,059

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15. Segment information (Continued)

	30 June 2020	31 December 2019 (Audited)	30 June 2019
<i>Segment liabilities</i>	KD	KD	KD
Corporate finance	341,776	341,776	5,995,261
Other	2,745,606	2,777,152	3,333,197
Total segment liabilities	<u>3,087,382</u>	<u>3,118,928</u>	<u>9,328,458</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.

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:

	30 June 2020	31 December 2019 (Audited)	30 June 2019
Financial assets	KD	KD	KD
Cash and bank balances	7,019,101	4,338,781	3,935,890
Financial assets at fair value through profit or loss	3,927,281	979,557	138,916
Receivables and other debit balances (excluding prepaid expenses)	3,686,755	10,683,958	6,813,486
Due from related parties	316	316	23,028
Financial assets at fair value through other comprehensive income	38,268	41,400	52,478
	<u>14,671,721</u>	<u>16,044,012</u>	<u>10,963,798</u>
Financial liabilities	30 June 2020	31 December 2019 (Audited)	30 June 2019
	KD	KD	KD
Wakala payables	-	-	3,636,816
Ijara payables	-	-	2,358,445
Accounts payable and other credit balances	2,368,628	2,409,933	2,459,926
Due to related parties	341,776	341,776	343,510
	<u>2,710,404</u>	<u>2,751,709</u>	<u>8,798,697</u>

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17. Financial instruments (Continued)

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.

30 June 2020	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
<i>Financial assets:</i>				
Financial assets at fair value through profit or loss	3,919,779	-	7,502	3,927,281
Financial assets at fair value through other comprehensive income	2,074	-	36,194	38,268
	<u>3,921,853</u>	<u>-</u>	<u>43,696</u>	<u>3,965,549</u>
31 December 2019 (audited)	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
<i>Financial assets:</i>				
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>
30 June 2019	Level 1	Level 2	Level 3	Total
	KD	KD	KD	KD
<i>Financial assets:</i>				
Financial assets at fair value through profit or loss	-	23,275	115,641	138,916
Financial assets at fair value through other comprehensive income	2,606	8,677	41,195	52,478
	<u>2,606</u>	<u>31,952</u>	<u>156,836</u>	<u>191,394</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 30 June 2020. Accordingly, it is difficult to compare the results of the Group's business for the financial period ended 30 June 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.