

INTEGRATED HOLDING COMPANY – K.S.C. (CLOSED) AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2018 (UNAUDITED)**

INTEGRATED HOLDING COMPANY – K.S.C. (CLOSED) AND ITS SUBSIDIARIES

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND INDEPENDENT
AUDITOR'S REVIEW REPORT (UNAUDITED)**

For the six months period ended 30 June 2018

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INTEGRATED HOLDING COMPANY K.S.C. (CLOSED)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Integrated Holding Company K.S.C. (Closed) ("the Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2018 and the related interim condensed consolidated statements of income, comprehensive income for the three months and six months period then ended and the related interim condensed statement of changes in equity and cash flows for the six month period then ended. The Parent Company's management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, 'Interim financial reporting' ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Other matter

The comparative information for the interim condensed consolidated statement of financial position is based on the audited consolidated financial statements as at 31 December 2017. The comparative information for the Interim condensed consolidated statement of financial position as at 30 June 2017 and the related interim condensed consolidated statements of income, comprehensive income for the three months and six months period then ended and the related interim condensed statement of changes in equity and cash flows for the six month period then ended, and the related explanatory notes, has not been audited or reviewed.

Report on other legal and regulatory requirements

Furthermore, based on our review, nothing has come to our attention to indicate that the interim condensed consolidated financial information is not in agreement with the accounting records of the Parent Company. We further report that nothing has come to our attention indicating any contravention during the six month period ended 30 June 2018, of the Companies Law no. 1 of 2016, its executive regulations nor of the Parent Company's articles of association that might have had a material effect on the Parent Company's activities or on its financial position.


Khalid Ibrahim Al-Shatti
Licence No 175-A
PricewaterhouseCoopers (Al-Shatti & Co.)

12 August 2018

Kuwait

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Interim condensed consolidated statement of financial position

(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Note	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
ASSETS				
Non-current assets				
Property and equipment		71,926,322	70,526,563	68,070,101
Intangible assets		711,348	711,277	711,336
		<u>72,637,670</u>	<u>71,237,840</u>	<u>68,781,437</u>
Current assets				
Inventories		1,097,246	864,024	817,450
Trade and other receivables	6	15,606,221	16,383,401	16,629,465
Bank balances and cash	7	4,343,544	3,845,412	2,923,302
		<u>21,047,011</u>	<u>21,092,837</u>	<u>20,370,217</u>
Total assets		<u>93,684,681</u>	<u>92,330,677</u>	<u>89,151,654</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital		22,000,000	22,000,000	22,000,000
Share premium		1,463,000	1,463,000	1,463,000
Statutory reserve		6,871,285	6,871,285	5,508,697
Foreign currency translation reserve		21,353	(3,772)	(199,648)
Retained earnings		31,924,193	28,835,460	23,330,438
Equity attributable to equity holders of the Parent				
Company		62,279,831	59,165,973	52,102,487
Non-controlling interests		-	-	17,579
Total equity		<u>62,279,831</u>	<u>59,165,973</u>	<u>52,120,066</u>
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits		1,333,287	1,196,351	1,095,053
Trade and other payables	8	1,425,646	2,896,325	1,385,431
Borrowings	9	9,511,586	12,020,380	10,611,308
		<u>12,270,519</u>	<u>16,113,056</u>	<u>13,091,792</u>
Current liabilities				
Trade and other payables	8	16,130,954	11,145,404	14,816,907
Borrowings	9	3,003,377	5,906,244	9,122,889
		<u>19,134,331</u>	<u>17,051,648</u>	<u>23,939,796</u>
Total liabilities		<u>31,404,850</u>	<u>33,164,704</u>	<u>37,031,588</u>
Total equity and liabilities		<u>93,684,681</u>	<u>92,330,677</u>	<u>89,151,654</u>



Jassim Mustafa Boodai

Vice Chairman and Chief Executive Officer

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Interim condensed consolidated statement of income

(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Note	Six months ended 30 June		Three months ended 30 June	
		2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Revenue		22,218,128	18,503,511	10,722,952	9,493,353
Cost of revenue		(10,192,261)	(9,397,140)	(4,961,713)	(4,849,645)
Gross profit		12,025,867	9,106,371	5,761,239	4,643,708
General and administrative expenses	12	(2,731,612)	(1,519,077)	(1,333,104)	(649,888)
Foreign exchange gain/(loss)		503,919	(917,952)	759,808	(735,010)
Other income	13	622,721	333,407	21,345	145,101
Operating profit		10,420,895	7,002,749	5,209,288	3,403,911
Finance costs		(234,947)	(400,148)	(92,865)	(198,440)
Profit before provisions for contribution to Kuwait foundation for Advancement of Sciences ("KFAS") and Zakat		10,185,948	6,602,601	5,116,423	3,205,471
Contribution to KFAS		(107,699)	(73,812)	(57,005)	(39,841)
Zakat		(113,482)	(74,717)	(59,126)	(30,421)
Profit for the period		9,964,767	6,454,072	5,000,292	3,135,209
Attributable to:					
Owners of the Parent Company		9,964,767	6,454,106	5,000,292	3,135,209
Non-controlling interests		-	(34)	-	-
		9,964,767	6,454,072	5,000,292	3,135,209
Basic and diluted earnings per share attributable to equity holders of the Parent Company (fils)	10	45.29	29.34	22.73	14.25

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Interim condensed consolidated statement of comprehensive income

(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Six months ended 30 June		Three months ended 30 June	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Profit for the period	<u>9,964,767</u>	<u>6,454,072</u>	<u>5,000,292</u>	<u>3,135,209</u>
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations	<u>25,125</u>	<u>(206,565)</u>	<u>31,135</u>	<u>(207,358)</u>
Other comprehensive income / (loss) for the period	<u>25,125</u>	<u>(206,565)</u>	<u>31,135</u>	<u>(207,358)</u>
Total comprehensive income for the period	<u>9,989,892</u>	<u>6,247,507</u>	<u>5,031,427</u>	<u>2,927,851</u>
Attributable to:				
Owners of the Parent Company	<u>9,989,892</u>	<u>6,247,541</u>	<u>5,031,427</u>	<u>2,927,851</u>
Non-controlling interests	<u>-</u>	<u>(34)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>9,989,892</u>	<u>6,247,507</u>	<u>5,031,427</u>	<u>2,927,851</u>

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Interim condensed consolidated statement of changes in equity
(All amounts are in Kuwaiti Dinars unless otherwise stated)

	Attributable to owners of the Parent Company							
	Share capital	Share premium	Statutory reserve	Foreign currency translation reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance as of 31 December 2017 (Audited)	22,000,000	1,463,000	6,871,285	(3,772)	28,835,460	59,165,973	-	59,165,973
Impact of adoption of IFRS 9 at 1 January 2018 (note 3)	-	-	-	-	(277,034)	(277,034)	-	(277,034)
Balance at 1 January 2018	22,000,000	1,463,000	6,871,285	(3,772)	28,558,426	58,888,939	-	58,888,939
Profit for the period	-	-	-	-	9,964,767	9,964,767	-	9,964,767
Other comprehensive income for the period	-	-	-	25,125	-	25,125	-	25,125
Total comprehensive income for the period	-	-	-	25,125	9,964,767	9,989,892	-	9,989,892
Dividend distributed for the year 2017	-	-	-	-	(6,600,000)	(6,600,000)	-	(6,600,000)
Liquidation of subsidiary	-	-	-	-	1,000	1,000	-	1,000
Balance at 30 June 2018 (unaudited)	22,000,000	1,463,000	6,871,285	21,353	31,924,193	62,279,831	-	62,279,831
Balance at 1 January 2017 (Audited) (restated)	20,900,000	1,463,000	5,508,697	6,917	22,156,332	50,034,946	17,613	50,052,559
Profit for the period	-	-	-	-	6,454,106	6,454,106	(34)	6,454,072
Other comprehensive loss for the period	-	-	-	(206,565)	-	(206,565)	-	(206,565)
Total comprehensive income for the period	-	-	-	(206,565)	6,454,106	6,247,541	(34)	6,247,507
Bonus shares issued during the period	1,100,000	-	-	-	(1,100,000)	-	-	-
Dividend distributed for the year 2016	-	-	-	-	(4,180,000)	(4,180,000)	-	(4,180,000)
Balance at 30 June 2017 (unaudited)	22,000,000	1,463,000	5,508,697	(199,648)	23,330,438	52,102,487	17,579	52,120,066

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Interim condensed consolidated statement of cash flows

(All amounts are in Kuwaiti Dinars unless otherwise stated)

		Six months ended 30 June	
		2018	2017
Note		(Unaudited)	(Unaudited)
Cash flows from operating activities			
	Profit for the period	9,964,767	6,454,072
	Adjustments for:		
	Depreciation	5,317,706	5,030,616
	Finance costs	234,947	400,148
	Provision for employees' end of service benefits	178,939	118,210
	Provision for impairment of trade and other receivables	448,508	-
	Provision for impairment of trade and other receivable no longer required	(4,909)	(4,500)
	Loss on liquidation of subsidiary	1,000	-
	Unrealised exchange (gain)/loss on borrowings	(172,943)	510,722
	Gain on sale of property and equipment	(590,205)	(269,262)
		15,377,810	12,240,006
Changes in working capital			
	Inventories	(233,222)	(55,730)
	Trade and other receivables	56,547	(1,457,770)
	Trade and other payables	3,514,871	1,045,016
	Net cash generated from operations	18,716,006	11,771,522
	Employees' end of service benefits paid	(42,488)	(23,154)
	Net cash generated from operating activities	18,673,518	11,748,368
Cash flows from investing activities			
	Purchase of property and equipment	(7,154,454)	(937,467)
	Proceeds from sale of property and equipment	1,050,333	1,713,836
	Net cash (used in)/generated from investing activities	(6,104,121)	776,369
Cash flows from financing activities			
	Finance costs paid	(234,947)	(400,148)
	Dividend paid to Parent Company's shareholder	(6,600,000)	-
	Proceeds from borrowings	872,234	-
	Repayment of borrowings	(6,110,952)	(10,561,050)
	Net cash used in financing activities	(12,073,665)	(10,961,198)
	Exchange differences arising on translation of foreign operations	2,400	(62,419)
	Net increase in bank balances and cash	498,132	1,501,120
	Bank balances and cash at beginning of the period	3,845,412	1,422,182
	Bank balances and cash at end of the period	4,343,544	2,923,302
Non-cash transactions are as follows:			
Impact of IFRS 9			
	Trade and other receivables	277,034	-
	Retained earnings	(277,034)	-

The accompanying notes set out on pages 7 to 14 form an integral part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

1 INCORPORATION AND ACTIVITIES

Integrated Holding Company K.S.C. (Closed) ("the Parent Company") is a Kuwaiti Holding Company registered in Kuwait was incorporated on 4 June 2005 according to Commercial Companies Law (15) for 1960, as amended. On 10 April 2018, the Parent Company filed an application with the Capital Market Authority (CMA) in Kuwait for listing of its shares on the Kuwait Stock Exchange. The CMA gave the approval on 4 July 2018 and as a result, the shares of the Parent Company were listed on the Kuwait Stock Exchange on 15 July 2018.

The registered office of the Parent Company is Building 7, block 6, East Ahmadi, Post Box 750, Dasman 15458, Kuwait.

The principal activities of the Parent Company are:

- Acquiring shares in Kuwaiti or foreign shareholding companies as well as acquisition of shares in Kuwaiti or foreign companies with limited liability or participate in the incorporation of such two types of companies and management thereof and guaranteeing them with third parties;
- Lending money to the companies in which it holds shares. In such case, the company's share in the capital of the borrower company shall not be less than 20%;
- Acquiring industrial property rights including patents, trademarks, industrial marks or industrial drawings or any other rights related thereto and lease the same to other companies for use inside or outside Kuwait;
- Acquiring necessary movable and immovable properties for carrying out its business to the extent permitted by the law; and
- Utilizing the financial surpluses available with the Company through investing the same in financial portfolios managed by specialized companies and entities.

The consolidated financial statements for the year ended 31 December 2017 were authorised for issue by the Board of Directors resolution dated 19 March 2018 and were approved by the shareholders at the Annual General Assembly meeting held on 12 April 2018. During the Annual General Assembly meeting, the shareholders also approved the distribution of dividends of 30 fils per share as proposed by the Board of Directors and disclosed in the audited consolidated financial statements of 31 December 2017.

The accompanying interim condensed consolidated financial information for the period ended 30 June 2018 was authorised for issue by the Board of Directors on 12 August 2018.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information of Integrated Holding Company K.S.C. (Closed) and its subsidiaries ("the Group") has been prepared in accordance with IAS 34, "Interim Financial Reporting". The 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. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month period ended 30 June 2018 are not necessarily indicative of the results that may be expected for the year ending 31 December 2018. For further information, refer to the annual audited consolidated financial statements of the Group and notes thereto for the year ended 31 December 2017.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards and amendments effective as of 1 January 2018.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

2 BASIS OF PREPARATION (CONTINUED)

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make retrospective adjustments as a result of adopting the following standards:

- IFRS 9 Financial Instruments, and
- IFRS 15 Revenue from Contracts with Customers.

The impact of the adoption of these standards and the new accounting policies are disclosed in note 3 below. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

3 CHANGE IN ACCOUNTING POLICIES

Management has assessed the effects of applying IFRS 15 Revenue from Contracts with Customers on the Group's consolidated financial statements and has identified that there was no significant impact on revenue for the period. This note explains the impact of the adoption of IFRS 9 Financial Instruments on the Group's consolidated financial statements.

(a) IFRS 9 Financial Instruments – Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the interim condensed consolidated financial statements related to the impairment of financial assets. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

Impairment of financial assets

The financial asset subject to IFRS 9's new expected loss models are trade receivables from equipment hire and transportation service. While bank balances and cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. For trade receivables, the Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The provision of impairment for trade receivables as at 31 December 2017 reconcile to the opening provision of impairment on 1 January 2018 as follows:

	<u>Provision amount</u>
At 31 December 2017 – calculated under IAS 39 as originally presented	1,943,114
Amounts restated through opening retained earnings	<u>277,034</u>
Opening loss allowance as at 1 January 2018 - calculated under IFRS 9	<u>2,220,148</u>

The Group's loans and receivables was measured at amortised cost as per IAS 39 where the objective of the Group's business model for realizing these assets is for collecting contractual cash flows which meet the conditions for classification at amortised cost under IFRS 9. Accordingly, the new guidance does not affect the classification and measurement of these financial assets.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

3 CHANGE IN ACCOUNTING POLICIES (CONTINUED)

(b) IFRS 9 Financial Instruments – Accounting policies applied from 1 January 2018

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets carried at amortised cost

Subsequent measurement of financial assets carried at amortised cost depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group's financial assets carried at amortised cost include account receivables and bank balances and cash.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of income. Impairment losses are presented as separate line item in the statement of income.

4 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 the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2017.

5 FINANCIAL RISK MANAGEMENT

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017. There have been no changes in the risk management policies since the year end. The fair value of financial assets and liabilities approximates their carrying amounts.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

6 TRADE AND OTHER RECEIVABLES

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Trade receivables	15,953,452	16,662,874	13,895,189
Provision for impairment of trade receivables	(2,666,835)	(1,943,114)	(1,103,490)
	13,286,617	14,719,760	12,791,699
Retention receivables	288,349	305,534	269,041
Amount due from related party (note 11)	-	6,865	13,459
Deposits	172,128	201,331	492,699
Advance to suppliers and employees	553,133	350,506	671,954
Prepaid expenses	174,407	236,191	242,799
Other receivables	1,131,587	563,214	2,147,814
	15,606,221	16,383,401	16,629,465

The movement of provision for impairment of trade receivables is as follows:

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Opening balance	1,943,114	1,120,616	1,120,616
Impact of IFRS 9	277,034	-	-
Provision for impairment of trade and other receivables (note 12)	448,508	938,298	-
Provision for impairment of trade and other receivable no longer required	(4,909)	(38,252)	(4,500)
Amount written off	(1,904)	(62,594)	-
Foreign currency translation	4,992	(14,954)	(12,626)
Closing balance	2,666,835	1,943,114	1,103,490

7 BANK BALANCES AND CASH

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Cash on hand	26,881	24,874	55,234
Bank balances	4,316,663	3,820,538	2,868,068
	4,343,544	3,845,412	2,923,302

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

8 TRADE AND OTHER PAYABLES

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Current			
Trade payables	11,703,800	8,178,551	8,164,285
Accrued and provision expenses	2,767,853	1,566,476	1,145,552
Accrued staff cost	1,268,917	1,240,870	1,041,652
Dividend payable	-	-	4,180,000
Other payables	390,384	159,507	285,418
	16,130,954	11,145,404	14,816,907
Non-current			
Trade payables	1,425,646	2,896,325	1,385,431
	17,556,600	14,041,729	16,202,338

9 BORROWINGS

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Current			
Term Loans	2,435,608	3,796,744	7,337,844
Tawaruq payables	567,769	1,600,254	766,550
Murabaha payables	-	509,246	1,018,495
	3,003,377	5,906,244	9,122,889
Non-Current			
Term Loans	9,511,586	11,837,795	9,759,714
Tawaruq payables	-	182,585	851,594
Murabaha payables	-	-	-
	9,511,586	12,020,380	10,611,308
	12,514,963	17,926,624	19,734,197

Borrowings represents amounts obtained from local and international banks to finance the Group's normal activities. Borrowings bear profit/interest rates ranging from 0.9% to 4.5% (31 December 2017: from 0.9% to 4.5% and 30 June 2017: from 0.9% to 4%) including central bank of Kuwait rate and EURIBOR. The repayment of borrowings is as per agreed repayment schedule. The facility agreements include negative pledge on sale of assets. The movement of borrowings is as follows:

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Opening	17,926,624	29,784,525	29,784,525
Proceeds from borrowings	872,234	5,547,511	-
Repayment of borrowings	(6,110,952)	(18,138,797)	(10,561,050)
Foreign currency translation	(172,943)	733,385	510,722
Closing	12,514,963	17,926,624	19,734,197

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding adjusted for bonus shares issued during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. At the reporting date, the Group had no dilutive shares. The information necessary to calculate earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Six months ended 30 June		Three months ended 30 June	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Profit for the period attributable to equity holders of the Parent Company	9,964,767	6,454,106	5,000,292	3,135,209
Number of shares outstanding:				
Weighted average number of shares	220,000,000	220,000,000	220,000,000	220,000,000
Basic and diluted earnings per share attributable to equity holders of the Parent Company (fils)	45.29	29.34	22.73	14.25

11 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, board of Directors and their close relatives, directors and key management personnel and entities controlled, jointly controlled or significantly influenced by such parties. All related party transactions are carried out on terms approved by Group's management and at an arm's length term. The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

Balances included in the interim condensed consolidated statement of financial position

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Amounts due from related parties - Burgan Company for Well Drilling, Trading & Maintenance KSCC – Affiliate (note 6)	-	6,865	13,459

Transactions included in the interim condensed consolidated statement of income

	Six months ended 30 June		Three months ended 30 June	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Revenue	17,126	35,247	10,180	24,360
Key management compensation				
Short term benefits	693,562	618,997	482,201	418,689
Termination benefits	26,282	27,155	14,569	14,803

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

12 GENERAL AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June		Three months ended 30 June	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Staff costs	1,589,089	1,000,111	840,245	402,236
Depreciation expenses	100,328	92,085	50,550	45,116
Provision for impairment of trade and other receivables (note 6)	448,508	-	142,834	-
Marketing expenses	-	62,600	-	62,600
Rent expenses	144,633	119,849	68,100	86,720
Professional fees	70,550	21,670	-	9,270
Other expenses	378,504	222,762	231,375	43,946
Total	2,731,612	1,519,077	1,333,104	649,888

13 OTHER INCOME

	Six months ended 30 June		Three months ended 30 June	
	2018 (Unaudited)	2017 (Unaudited)	2018 (Unaudited)	2017 (Unaudited)
Gain on sale of property and equipment	590,205	269,262	5,530	117,494
Other income	32,516	64,145	15,815	27,607
Total	622,721	333,407	21,345	145,101

14 COMMITMENTS

	30 June 2018 (Unaudited)	31 December 2017 (Audited)	30 June 2017 (Unaudited)
Capital commitments	240,109	548,345	-
Letters of credit	2,540,907	61,859	22,387
Letter of guarantees	1,995,717	2,058,760	1,463,259
	4,776,733	2,668,964	1,485,646

15 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by board of directors represented by the chief operating decision-maker for the purposes of allocating resources and assessing performance. The chief operating decision-maker organises the entity based on different geographical areas, inside and outside Kuwait. There are no inter-segmental transactions. The following table presents the geographical analysis of the Group's assets, liabilities, revenues, expenses, and profit for the period ended 30 June 2018 and 30 June 2017 and year ended 31 December 2017.

Integrated Holding Company K.S.C. (Closed) and its Subsidiaries

Notes to the interim condensed consolidated financial information

(All amounts are in Kuwaiti Dinars unless otherwise stated)

15 SEGMENT INFORMATION (CONTINUED)

	30 June 2018 (unaudited)		Total
	Inside Kuwait	Outside Kuwait	
Assets	83,662,154	10,022,527	93,684,681
Liabilities	23,217,677	8,187,173	31,404,850
Revenues and other income	20,963,067	2,381,701	23,344,768
Expenses	(11,500,508)	(1,644,546)	(13,145,054)
Profit for the period	9,232,024	732,743	9,964,767
Depreciation	(4,841,425)	(476,282)	(5,317,707)
Finance cost	(230,670)	(4,277)	(234,947)
Capital expenditures	5,665,386	1,489,068	7,154,454

	31 December 2017 (Audited)		Total
	Inside Kuwait	Outside Kuwait	
Assets	83,669,823	8,660,854	92,330,677
Liabilities	26,584,730	6,579,974	33,164,704
Revenues and other income	36,105,887	4,379,957	40,485,844
Expenses	(23,010,985)	(3,396,082)	(26,407,067)
Profit for the year	12,333,907	978,070	13,311,977
Depreciation	(9,549,930)	(1,027,652)	(10,577,582)
Finance cost	(760,994)	(5,806)	(766,800)
Capital expenditures	7,631,496	931,287	8,562,783

	30 June 2017 (unaudited)		Total
	Inside Kuwait	Outside Kuwait	
Assets	78,539,503	10,612,151	89,151,654
Liabilities	28,179,498	8,852,090	37,031,588
Revenues and other income	16,237,752	2,599,166	18,836,918
Expenses	(10,042,185)	(1,940,513)	(11,982,698)
Profit for the period	5,799,644	654,428	6,454,072
Depreciation	(4,494,810)	(535,806)	(5,030,616)
Finance cost	(395,923)	(4,225)	(400,148)
Capital expenditures	323,083	614,384	937,467