

**INTEGRATED HOLDING COMPANY K.S.C.P AND ITS  
SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

**30 JUNE 2021**





Ernst & Young  
Al Aiban, Al Osaimi & Partners  
P.O. Box 74, Safat  
13001 Safat, Kuwait  
Baitak Tower, 18–20th Floor  
Safat Square  
Ahmed Al Jaber Street  
Kuwait

Tel: +965 2295 5000 /  
+965 2295 2880  
Fax: +965 2245 6419  
www.ey.com

## **INDEPENDENT AUDITOR’S REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF INTEGRATED HOLDING COMPANY K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Integrated Holding Company K.S.C.P. ("the Parent Company") and its subsidiaries (collectively, the "Group") as at 30 June 2021, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 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 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, it 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 IAS 34.

### **Report on Other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2021 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-months period ended 30 June 2021 that might have had material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

11 August 2021  
Kuwait

# Integrated Holding Company K.S.C.P and its Subsidiaries

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 June 2021

	Notes	<i>Three months ended</i>		<i>Six months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Revenue	3	<b>5,629,723</b>	3,698,415	<b>10,944,917</b>	9,869,875
Cost of revenue		<b>(4,495,549)</b>	(4,104,920)	<b>(8,937,784)</b>	(8,532,799)
<b>GROSS PROFIT / (LOSS)</b>		<b>1,134,174</b>	(406,505)	<b>2,007,133</b>	1,337,076
Other income		<b>45,957</b>	230,309	<b>79,518</b>	323,085
Net foreign exchange (loss) gain		<b>(113,170)</b>	(399,774)	<b>125,093</b>	12,459
General and administrative expenses		<b>(689,631)</b>	(570,468)	<b>(1,355,565)</b>	(1,140,480)
Reversal of (allowance for) expected credit loss		<b>3,201</b>	(987,291)	<b>(173,972)</b>	(1,434,484)
Finance costs		<b>(149,631)</b>	(166,465)	<b>(308,698)</b>	(327,757)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>230,900</b>	(2,300,194)	<b>373,509</b>	(1,230,101)
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		<b>(2,479)</b>	10,701	<b>(4,701)</b>	-
National Labour Support Tax (NLST)		<b>(6,769)</b>	18,396	<b>(16,887)</b>	(8,350)
Zakat		<b>(2,709)</b>	7,360	<b>(6,756)</b>	(3,341)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>218,943</b>	(2,263,737)	<b>345,165</b>	(1,241,792)
<b>BASIC AND DILUTED EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT COMPANY (Fils)</b>	4	<b>0.87</b>	(8.95)	<b>1.36</b>	(4.91)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

## Integrated Holding Company K.S.C.P and its Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2021

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>KD</b>	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	<b>218,943</b>	(2,263,738)	<b>345,165</b>	(1,241,792)
<b>Other comprehensive (loss) income</b>				
<i>Other comprehensive (loss) income that may be reclassified subsequently to consolidated statements of profit or loss:</i>				
Foreign currency translation adjustments	<b>(6,359)</b>	(52,762)	<b>(24,838)</b>	42,326
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>212,584</b>	(2,316,500)	<b>320,327</b>	(1,199,466)


The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2021

		30 June 2021 KD	(Audited) 31 December 2020 KD	30 June 2020 KD
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment		79,208,985	82,397,031	76,606,581
Right-of-use assets		610,612	632,247	677,145
Intangible assets		827,283	827,485	827,726
Deferred tax asset		193,380	195,321	-
		<u>80,840,260</u>	<u>84,052,084</u>	<u>78,111,452</u>
<b>Current assets</b>				
Inventories		904,299	903,135	972,153
Trade and other receivables	5	12,166,142	12,177,187	12,927,854
Bank balances and cash		4,216,570	1,935,725	2,426,637
		<u>17,287,011</u>	<u>15,016,047</u>	<u>16,326,644</u>
<b>TOTAL ASSETS</b>		<u><b>98,127,271</b></u>	<u><b>99,068,131</b></u>	<u><b>94,438,096</b></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	6	25,300,000	22,000,000	22,000,000
Statutory reserve		9,494,240	9,494,240	9,494,240
Foreign currency translation reserve		(33,623)	(8,785)	12,064
Retained earnings		25,723,672	28,678,507	29,290,982
<b>TOTAL EQUITY</b>		<u><b>60,484,289</b></u>	<u><b>60,163,962</b></u>	<u><b>60,797,286</b></u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans and borrowings	7	20,151,848	15,552,633	13,918,602
Employee's end of service benefits		1,951,193	1,825,158	1,731,518
Trade and other payables	8	7,687,089	7,918,718	-
Lease liability		651,979	675,833	703,184
		<u>30,442,109</u>	<u>25,972,342</u>	<u>16,353,304</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	8	5,507,113	5,269,568	8,807,540
Loans and borrowings	7	1,644,976	7,615,365	8,442,645
Lease liability		48,784	46,894	37,321
		<u>7,200,873</u>	<u>12,931,827</u>	<u>17,287,506</u>
<b>TOTAL LIABILITIES</b>		<u><b>37,642,982</b></u>	<u><b>38,904,169</b></u>	<u><b>33,640,810</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>98,127,271</b></u>	<u><b>99,068,131</b></u>	<u><b>94,438,096</b></u>

  
 Mohammad Naser Abdulaziz Alfozan  
 Chairman

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P and its subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2021

	<i>Share capital KD</i>	<i>Share premium KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total KD</i>
As at 1 January 2021	22,000,000	-	9,494,240	(8,785)	28,678,507	60,163,962
Profit for the period	-	-	-	-	345,165	345,165
Other comprehensive loss for the period	-	-	-	(24,838)	-	(24,838)
Total comprehensive (loss) income for the period	-	-	-	(24,838)	345,165	320,327
Issue of bonus shares (note 13)	3,300,000	-	-	-	(3,300,000)	-
<b>At 30 June 2021</b>	<b>25,300,000</b>	<b>-</b>	<b>9,494,240</b>	<b>(33,623)</b>	<b>25,723,672</b>	<b>60,484,289</b>
As at 1 January 2020	22,000,000	1,463,000	9,494,240	(30,262)	35,669,774	68,596,752
Loss for the period	-	-	-	-	(1,241,792)	(1,241,792)
Other comprehensive income for the period	-	-	-	42,326	-	42,326
Total comprehensive income (loss) for the period	-	-	-	42,326	(1,241,792)	(1,199,466)
Dividend paid (note 13)	-	(1,463,000)	-	-	(5,137,000)	(6,600,000)
At 30 June 2020	22,000,000	-	9,494,240	12,064	29,290,982	60,797,286

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Integrated Holding Company K.S.C.P and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For the period ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 KD	2020 KD
<b>OPERATING ACTIVITIES</b>			
Profit / (loss) before tax for the period		373,509	(1,230,101)
<i>Adjustments to reconcile profit (loss) for the period to net cash flows:</i>			
Depreciation of property and equipment		4,397,426	3,994,305
Depreciation on right-of-use assets		32,529	33,700
Gain on sale of property and equipment		(46,043)	(222,877)
Provision for employees' end of service benefit		189,074	148,758
Finance costs		308,698	327,757
Provision for expected credit losses on trade receivables	5	173,972	1,434,484
Net foreign exchange (gain)		(125,093)	(12,459)
		<b>5,304,072</b>	<b>4,473,567</b>
<i>Working capital adjustments:</i>			
Inventories		(1,164)	(28,721)
Trade and other receivables		(195,385)	2,430,761
Trade and other payables		95,449	1,926,412
Cash flows from operations		<b>5,202,972</b>	<b>8,802,019</b>
Employees' end of service benefits paid		(61,088)	(19,053)
<b>Net cash flows from operating activities</b>		<b>5,141,884</b>	<b>8,782,966</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of items of property and equipment		(1,414,066)	(7,846,568)
Proceeds from sale of items of property and equipment		53,630	236,049
Net cashflow on acquisition of a subsidiary		-	(295,415)
<b>Net cash flows used in investing activities</b>		<b>(1,360,436)</b>	<b>(7,905,934)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends paid	13	-	(6,600,000)
Finance costs paid		(292,706)	(310,927)
Payment of lease liabilities		(47,981)	(26,075)
Proceeds from loans and borrowings		-	9,887,120
Repayments of loans and borrowings		(1,334,940)	(3,055,116)
<b>Net cash flows used in financing activities</b>		<b>(1,675,627)</b>	<b>(104,998)</b>
Net foreign exchange differences		175,024	(133,346)
<b>NET INCREASE IN BANK BALANCES AND CASH</b>		<b>2,280,845</b>	<b>638,688</b>
Bank balances and cash as at 1 January		1,935,725	1,787,949
<b>BANK BALANCES AND CASH AS AT 30 JUNE</b>		<b>4,216,570</b>	<b>2,426,637</b>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

# Integrated Holding Company K.S.C.P and its subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Integrated Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 11 August 2021.

The Parent Company was incorporated on 4 June 2005 in accordance with Companies Law of Kuwait and is listed on Boursa Kuwait. The Parent Company’s registered office is located at Building 7, Block 6, East Ahmadi, P.O. 750, Dasman 15458 Kuwait.

The main activities of the Parent Company are as follows:

- ▶ 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 type 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 Parent Company’s share in the capital of the borrower company is not less than 20%;
- ▶ Acquiring industrial property rights including patents, trademarks, industrial marks or industrial drawings or other rights related thereto and lease the same to other companies for use inside or outside Kuwait;
- ▶ Acquiring necessary movable and immoveable properties for carrying out its business to the extend permitted by the law; and
- ▶ Utilising the financial surpluses available with the Parent Company through investing the same in financial portfolios managed by specialised companies and entities.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”).

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”), which is also the functional currency of the Parent Company.

### 2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- ▶ A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- ▶ Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- ▶ Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial information of the Group. The Group intends to use the practical expedients in future periods if they become applicable.



Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

**3 REVENUE**

Set out below is the disaggregation of the Group's revenue:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
<i>Unaudited</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Type of goods or service</i>				
Revenue				
Equipment hire	<b>4,481,274</b>	3,267,300	<b>9,141,631</b>	8,833,840
Transportation	<b>296,496</b>	391,852	<b>639,633</b>	993,767
Port management	<b>733,277</b>	-	<b>969,832</b>	-
Revenue others	<b>110,636</b>	37,792	<b>184,597</b>	38,722
Sale of goods	<b>8,040</b>	1,471	<b>9,224</b>	3,546
	<b>5,629,723</b>	3,698,415	<b>10,944,917</b>	9,869,875
<i>Geographical markets:</i>				
Kuwait	<b>3,701,280</b>	2,902,315	<b>7,273,667</b>	7,888,332
Outside Kuwait	<b>1,928,443</b>	796,100	<b>3,671,250</b>	1,981,543
	<b>5,629,723</b>	3,698,415	<b>10,944,917</b>	9,869,875
<i>Timing of revenue recognition:</i>				
Services transferred over time	<b>5,621,683</b>	3,696,944	<b>10,935,693</b>	9,866,329
Goods transferred at a point in time	<b>8,040</b>	1,471	<b>9,224</b>	3,546
	<b>5,629,723</b>	3,698,415	<b>10,944,917</b>	9,869,875

**4 EARNINGS (LOSS) PER SHARE**

Basic earnings (loss) per share amounts are calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings/(loss) per share are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>(Restated)*</i>		<i>(Restated)*</i>
Profit (loss) for the period (KD)	<b>218,943</b>	(2,263,737)	345,165	(1,241,792)
Weighted average number of ordinary shares outstanding during the period	<b>253,000,000</b>	253,000,000	<b>253,000,000</b>	253,000,000
Basic and diluted earnings/(loss) per share (fils)	<b>0.87</b>	(8.95)	1.36	(4.91)

\* Basic and diluted earnings per share for the comparative period presented have been restated to reflect the adjustment of bonus shares following the bonus issue relating to year ended 31 December 2020 (Note 13).

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

**5 TRADE AND OTHER RECEIVABLES**

	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
Trade receivables	<b>15,660,215</b>	15,201,064	15,993,406
Retention receivables	<b>221,622</b>	205,593	144,063
Less: Allowance for expected credit loss	<b>(6,188,483)</b>	(6,046,969)	(5,885,643)
	<b>9,693,354</b>	9,359,688	10,251,826
Contract assets	<b>1,198,533</b>	1,305,730	779,335
Amount due from a related party (Note 9)	<b>3,667</b>	217,462	172,387
Deposits	<b>93,554</b>	158,097	227,515
Advance to suppliers and employees	<b>507,665</b>	515,760	963,652
Prepaid expenses	<b>429,786</b>	177,689	278,120
Other receivables	<b>239,583</b>	442,761	255,019
	<b>12,166,142</b>	12,177,187	12,927,854

Movements in the allowance for expected credit losses on trade accounts receivables and retention receivable were as follows:

	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
As at 1 January	<b>6,046,969</b>	4,407,633	4,407,633
Allowance for expected credit loss	<b>173,972</b>	1,642,303	1,434,484
Foreign exchange difference	<b>(32,458)</b>	(2,967)	43,526
	<b>6,188,483</b>	6,046,969	5,885,643

**6 SHARE CAPITAL**

	<i>Number of shares</i>			<i>Authorised, issued and fully paid</i>		
	<i>30 June 2021</i>	<i>31 December 2020</i>	<i>30 June 2020</i>	<i>30 June 2021 KD</i>	<i>31 December 2020 KD</i>	<i>30 June 2020 KD</i>
Shares of 100 fils each (paid in cash)	<b>253,000,000</b>	<b>220,000,000</b>	<b>220,000,000</b>	<b>25,300,000</b>	22,000,000	22,000,000

The Parent Company has increased its capital from KD 22,000,000 to KD 25,300,000 through issuance of bonus shares (Note 13). The capital increase was authenticated in the commercial register in 7 June 2021 under registration number 1012201279430.

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

**7 LOANS AND BORROWINGS**

	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
Term loan	<b>910,696</b>	1,262,574	2,036,782
Tawaruq payables	<b>15,891,128</b>	16,910,424	17,769,465
Murabaha payables	<b>4,995,000</b>	4,995,000	2,555,000
	<b>21,796,824</b>	23,167,998	22,361,247

The amounts payable under Murabaha and Tawarruq agreements are repayable within 1 to 5 years. The amount due is settled on a deferred payment basis and carry profit at 2.25 % to 2.5% (31 December 2020: 2.25% to 2.75%, 30 June 2020 2.25% to 2.75%)

Term loans carry finance charges at EIBOR+ 1% and are repayable within 5 years.

Currency wise breakup of the loans and borrowings are as follows:

<i>Currency</i>	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
Kuwait Dinars	<b>20,886,128</b>	21,905,424	20,324,465
Euro	<b>910,696</b>	1,262,574	2,036,782
	<b>21,796,824</b>	23,167,998	22,361,247

	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
Non-current	<b>20,151,848</b>	15,552,633	13,918,602
Current	<b>1,644,976</b>	7,615,365	8,442,645
	<b>21,796,824</b>	23,167,998	22,361,247

**8 TRADE AND OTHER PAYABLES**

	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
Trade payables	<b>9,739,037</b>	9,535,965	5,326,037
Amount due to a related party (Note 9)	<b>31,365</b>	33,456	64,399
Accrued expenses	<b>995,734</b>	940,126	1,290,256
Staff payables	<b>1,584,844</b>	1,824,412	1,586,450
Other payables	<b>843,222</b>	854,327	540,398
	<b>13,194,202</b>	13,188,286	8,807,540

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

**8 TRADE AND OTHER PAYABLES**

	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>	<i>30 June 2020 KD (Unaudited)</i>
Non-current	<b>7,687,089</b>	7,918,718	-
Current	<b>5,507,113</b>	5,269,568	8,807,540
	<b>13,194,202</b>	13,188,286	8,807,540

**9 RELATED PARTY DISCLOSURES**

Related parties represent major shareholders, associates, directors and key management personnel of the Parent Company, and entities controlled, jointly controlled or significantly influenced by such parties. The Parent Company's management approves pricing policies and terms of transactions with related parties.

The related parties' balances and transactions included in the interim condensed consolidated financial information are as follows:

	<i>Other affiliates * KD (Unaudited)</i>	<i>30 June 2021 KD (Unaudited)</i>	<i>30 June 2020 KD (Unaudited)</i>
<i>Interim condensed consolidated statement of profit or loss</i>			
Revenue	<b>95,400</b>	95,400	187,988
	<i>Other affiliates * KD (Unaudited)</i>	<i>30 June 2021 KD (Unaudited)</i>	<i>31 December 2020 KD (Audited)</i>
<i>Interim condensed consolidated statement of financial position</i>			
Amount due from a related party	<b>3,667</b>	<b>3,667</b>	217,462
Amount due to a related party	<b>31,365</b>	<b>31,365</b>	33,456

\* Other affiliates represents entities in which key managerial person have significant influence.

**Compensation of key management personnel:**

Key management personnel comprise of the key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The aggregate value of balances outstanding related to key management personnel were as follows:

	<i>Transaction values for the six months ended 30 June</i>		<i>Balance outstanding as at 30 June</i>	
	<i>2021 KD</i>	<i>2020 KD</i>	<i>2021 KD</i>	<i>2020 KD</i>
Salaries and short-term employee benefits	<b>451,555</b>	475,000	<b>116,516</b>	90,291
End of services benefits	<b>21,127</b>	24,121	<b>562,600</b>	528,472
	<b>472,682</b>	499,121	<b>679,116</b>	618,763

Integrated Holding Company K.S.C.P and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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**10 SEGMENTAL INFORMATION**

The 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 resource 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, revenue and profit for the period ended 30 June 2021, 31 December 2020 and 30 June 2020.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments.

	<i>Six months ended 30 June 2021</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Segment revenue	<b>7,273,667</b>	<b>3,671,250</b>	<b>10,944,917</b>
Segment results	<b>(466,989)</b>	<b>812,154</b>	<b>345,165</b>
Depreciation	<b>(3,319,881)</b>	<b>(1,110,074)</b>	<b>(4,429,955)</b>
Finance cost	<b>(279,841)</b>	<b>(28,857)</b>	<b>(308,698)</b>
Assets	<b>73,693,919</b>	<b>24,433,352</b>	<b>98,127,271</b>
Liabilities	<b>14,516,520</b>	<b>23,126,462</b>	<b>37,642,982</b>
Capital expenditure	<b>233,436</b>	<b>1,180,630</b>	<b>1,414,066</b>
	<i>31 December 2020</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Assets	74,682,084	24,386,047	99,068,131
Liabilities	15,730,403	23,173,766	38,904,169
Capital expenditure	11,521,256	6,402,906	17,924,162
	<i>Six months ended 30 June 2020</i>		
	<i>Inside Kuwait KD</i>	<i>Outside Kuwait KD</i>	<i>Total KD</i>
Segment revenue	7,888,332	1,981,543	9,869,875
Segment results	(1,417,832)	176,040	(1,241,792)
Depreciation	(3,402,475)	(625,530)	(4,028,005)
Finance cost	(292,232)	(35,525)	(327,757)
Assets	78,560,884	15,877,212	94,438,096
Liabilities	19,196,607	14,444,203	33,640,810
Capital expenditure	7,179,428	667,140	7,846,568

## 11 COMMITMENTS AND CONTINGENCIES

### Capital commitments

The Group has commitments in respect of future capital expenditure amounting to NIL (31 December 2020: KD 6,495 and 30 June 2020: KD 27,196) relating to ongoing projects under construction.

### Contingent liabilities

At 30 June 2021, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 2,706,696 (31 December 2020: KD 3,293,254 and 30 June 2020: KD 2,749,323) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

## 12 IMPACT OF COVID- 19

The COVID-19 outbreak was first reported near the end of 2019. At that time, a cluster of cases displaying the symptoms of a 'pneumonia of unknown cause' were identified in Wuhan, the capital of China's Hubei province. On 31 December 2019, China alerted the World Health Organization (WHO) of this new virus. On 30 January 2020, the International Health Regulations Emergency Committee of the WHO declared the outbreak a 'Public Health Emergency of International Concern'. Since then, the virus has spread worldwide. On 11 March 2020, the WHO declared the COVID-19 outbreak to be a pandemic.

The measures to slow the spread of COVID-19 have had a significant impact on the global economy. Governments worldwide imposed travel bans and strict quarantine measures. Businesses are dealing with lost revenue and disrupted supply chains. While the country has started to ease the lockdown, the relaxation has been gradual.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the Group may experience negative results, liquidity restraints and incur fair value losses or impairments on its assets. Given the ongoing economic uncertainty, the exact impact on the Group's activities thereafter cannot be predicted at this stage.

As a result, the Group considered the impact of COVID-19 in preparing its consolidated financial statements. While the specific areas of judgement may not change, the impact of COVID-19 resulted in the application of further judgement within those areas.

Given the evolving nature of COVID-19 and the limited recent experience of the economic and financial impacts of such a pandemic, changes to estimates may need to be made in the measurement of the Group's assets and liabilities may arise in the future.

### *Trade and other receivables*

The Group was required to revise certain inputs and assumptions used for the determination of expected credit losses ("ECL"). These were primarily related to adjusting the forward-looking estimates used by the Group in the estimation of ECL as the segmentation applied in previous periods may no longer be appropriate and may need to be revised to reflect the different ways in which the COVID-19 outbreak affects different types of customers (e.g. by extending payment terms for trade receivables or by following specific guidance issued by the government in relation to the collection of lease or other payments).

The Group will continue to assess impact of the pandemic as more reliable data becomes available and accordingly determine if any adjustment in the ECL is required in subsequent reporting periods.

### *Impairment of non-financial assets*

As at the reporting date, the Group has considered the potential impact of the current economic volatility in the determination of the reported amounts of the Group's non-financial assets and the unobservable inputs are developed using the best available information about the assumptions that market participants would make in pricing these assets at the reporting date. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

The Group acknowledges that certain geographies and sectors in which these assets are located are negatively impacted, and as the situation continues to unfold, the Group will continuously monitor the market outlook and use relevant assumptions in reflecting the values of these non-financial assets as and when they occur.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2021

**13 DISTRIBUTIONS MADE AND PROPOSED**

The Board of Directors in their meeting held on 24 March 2021, proposed a bonus issue of 15% in respect of the year ended 31 December 2020 (2019: cash dividend of 30 fils per share aggregating to KD 6,600,000), to be issued from utilizing retained earnings (2019: to be paid through fully utilizing share premium and retained earnings of KD 1,463,000 and KD 5,137,000 respectively).

The Annual general Meeting (AGM) of the shareholders held on 26 April 2021 has approved bonus issue of 15% for the year ended 31 December 2020 (2019: cash dividend of 30 fils per share aggregating to KD 6,600,000), to be issued from utilizing retained earnings (2019: to be paid through fully utilizing share premium and retained earnings of KD 1,463,000 and KD 5,137,000 respectively).

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