

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

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

30 JUNE 2022

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 2022, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month and six-month periods then ended. Management is responsible for the preparation and 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 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 2022 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-month period ended 30 June 2022 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

10 August 2022
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 2022

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
		KD	KD	KD	KD
Revenue from contracts with customers	3	5,498,035	5,629,723	12,373,787	10,944,917
Cost of sales and rendering of services		(4,616,316)	(4,495,549)	(9,356,605)	(8,937,784)
GROSS PROFIT		881,719	1,134,174	3,017,182	2,007,133
General and administrative expenses		(1,059,851)	(686,430)	(1,890,216)	(1,529,537)
OPERATING (LOSS) PROFIT		(178,132)	447,744	1,126,966	477,596
Finance costs		(145,196)	(149,631)	(301,361)	(308,698)
Other income (expenses)	4	1,012,478	(67,213)	1,473,637	204,611
PROFIT BEFORE TAX		689,150	230,900	2,299,242	373,509
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")		(6,697)	(2,479)	(22,991)	(4,701)
National Labour Support Tax ("NLST")		(17,723)	(6,769)	(60,237)	(16,887)
Income tax expense from foreign operations		(81,618)	-	(199,083)	-
Zakat		(7,088)	(2,709)	(24,095)	(6,756)
NET PROFIT FOR THE PERIOD		576,024	218,943	1,992,836	345,165
BASIC AND DILUTED EARNING PER SHARE ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT COMPANY (Fils)	5	2.28	0.87	7.88	1.36

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 2022

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2022	2021	2022	2021
	KD	KD	KD	KD
NET PROFIT FOR THE PERIOD	576,024	218,943	1,992,836	345,165
Other comprehensive income (loss)				
<i>Other comprehensive income (loss) that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	21,027	(6,359)	36,923	(24,838)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	597,051	212,584	2,029,759	320,327

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 2022

		<i>(Audited)</i>	
	<i>Notes</i>	<i>30 June 2022 KD</i>	<i>31 December 2021 KD</i>
		<i>30 June 2021 KD</i>	
ASSETS			
Non-current assets			
Property and equipment		71,887,317	75,297,138
Right-of-use assets		553,863	579,290
Intangible assets		827,661	827,371
Deferred tax asset		199,309	208,754
		<u>73,468,150</u>	<u>76,912,553</u>
Current assets			
Inventories		933,042	929,316
Trade and other receivables	6	14,440,510	12,403,177
Bank balances and cash		5,541,629	6,546,222
		<u>20,915,181</u>	<u>19,878,715</u>
TOTAL ASSETS		<u>94,383,331</u>	<u>96,791,268</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	25,300,000	25,300,000
Statutory reserve		9,679,493	9,679,493
Foreign currency translation reserve		8,026	(28,897)
Retained earnings		26,318,057	25,723,672
Total equity		<u>61,305,576</u>	<u>61,805,817</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	8	14,677,459	15,652,011
Employees' end of service benefits		2,084,449	2,025,689
Trade and other payables	9	-	-
Lease liabilities		616,979	632,801
		<u>17,378,887</u>	<u>18,310,501</u>
Current liabilities			
Trade and other payables	9	11,488,902	12,358,635
Loans and borrowings	8	4,162,023	4,298,163
Lease liabilities		47,943	18,152
		<u>15,698,868</u>	<u>16,674,950</u>
Total liabilities		<u>33,077,755</u>	<u>34,985,451</u>
TOTAL EQUITY AND LIABILITIES		<u>94,383,331</u>	<u>96,791,268</u>


Mohammad Naser Abdulaziz Al Fouzan
 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 2022

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
As at 1 January 2022	25,300,000	9,679,493	(28,897)	26,855,221	61,805,817
Profit for the period	-	-	-	1,992,836	1,992,836
Other comprehensive income for the period	-	-	36,923	-	36,923
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	36,923	1,992,836	2,029,759
Cash dividends (Note 13)	-	-	-	(2,530,000)	(2,530,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	25,300,000	9,679,493	8,026	26,318,057	61,305,576
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2021	25,300,000	9,494,240	(33,623)	25,723,672	60,484,289
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 2022

	Notes	Six months ended 30 June	
		2022 KD	2021 KD
OPERATING ACTIVITIES			
Profit before tax		2,299,242	373,509
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Depreciation of property and equipment		4,378,775	4,397,426
Depreciation of right-of-use assets		33,290	32,529
Gain on disposal of items of property and equipment	4	(573,046)	(46,043)
Provision for employees' end of service benefit		148,420	189,074
Provision for expected credit losses of trade receivables	6	52,803	173,972
Finance costs		301,361	308,698
Net foreign exchange differences	4	(830,081)	(125,093)
		5,810,764	5,304,072
<i>Working capital adjustments:</i>			
Inventories		(3,726)	(1,164)
Trade and other receivables		(2,129,089)	(195,385)
Trade and other payables		(536,557)	95,449
Cash flows from operations		3,141,392	5,202,972
Employees' end of service benefits paid		(94,802)	(61,088)
Net cash flows from operating activities		3,046,590	5,141,884
INVESTING ACTIVITIES			
Purchase of items of property and equipment		(594,926)	(1,414,066)
Proceeds from disposal of items of property and equipment		573,508	53,630
Net cash flows used in investing activities		(21,418)	(1,360,436)
FINANCING ACTIVITIES			
Finance costs paid		(310,661)	(292,706)
Dividends paid		(2,530,000)	-
Payment of lease liabilities		(36,543)	(47,981)
Proceeds from borrowings	8	217,230	-
Repayments of borrowings	8	(1,304,167)	(1,334,940)
Net cash flows used in financing activities		(3,964,141)	(1,675,627)
NET (DECREASE) INCREASE IN BANK BALANCES AND CASH			
Net foreign exchange differences		(65,624)	175,024
Bank balances and cash at 1 January		6,546,222	1,935,725
BANK BALANCES AND CASH AT 30 JUNE		5,541,629	4,216,570

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 2022

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 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Parent Company on 9 August 2022.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 20 April 2022 approved the consolidated financial statements for the year ended 31 December 2021. Dividends declared and paid by the Group for the year then ended are provided in Note 13.

The Parent Company was incorporated and domiciled in Kuwait and is listed on Boursa Kuwait. The Parent Company’s head office is located at Building 7, Block 6, East Ahmadi and its registered office is P.O. Box 750, Dasman 15458, State of Kuwait.

The principal 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 immovable properties for carrying out its business to the extent 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 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34, “*Interim Financial Reporting*” (“IAS 34”). The Group has prepared the interim condensed consolidated financial information on the basis that it will continue to operate as a going concern. The management considers that there are no material uncertainties that may cast doubt significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial information does not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The interim condensed consolidated financial information provides comparative information in respect of the previous period. Certain comparative information has been reclassified and represented to conform to classification in the current period. Such reclassification has been made to improve the quality of information presented.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. 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 2022, but do not have an impact on the interim condensed consolidated financial information of the Group.

IAS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES
(continued)**

2.2 New standards, interpretations and amendments adopted by the Group (continued)

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

These amendments had no impact on the interim condensed consolidated financial information as the Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the interim condensed consolidated financial information of the Group as it is not a first-time adopter.

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 2022

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 *Financial Instruments: Recognition and Measurement*.

These amendments had no impact on the interim condensed consolidated financial information of the Group as there were no modifications of the Group's financial instruments during the period.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
<i>Unaudited</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Type of goods or service</i>				
Revenue from rendering of services				
- Equipment hire	4,558,503	4,481,274	10,484,240	9,141,631
- Transportation	171,269	296,496	363,388	639,633
- Port management	708,996	733,277	1,391,209	969,832
- Other revenue	50,846	110,636	117,088	184,597
Sale of goods	8,421	8,040	17,862	9,224
	5,498,035	5,629,723	12,373,787	10,944,917
<i>Geographical markets:</i>				
Kuwait	2,587,347	3,701,280	5,576,085	7,273,667
Qatar	2,910,688	1,928,443	6,797,702	3,671,250
	5,498,035	5,629,723	12,373,787	10,944,917
<i>Timing of revenue recognition:</i>				
Goods transferred at a point in time	8,421	8,040	17,862	9,224
Services transferred over time	5,489,614	5,621,683	12,355,925	10,935,693
	5,498,035	5,629,723	12,373,787	10,944,917

4 OTHER INCOME (EXPENSES)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Net foreign exchange gain (loss)	621,216	(113,170)	830,081	125,093
Gain on sale of property and equipment	391,262	20,318	573,046	46,043
Other miscellaneous income	-	25,639	70,510	33,475
	1,012,478	(67,213)	1,473,637	204,611

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 2022

5 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit 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 per share is calculated by dividing the profit 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 per share are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
Profit for the period (KD)	576,024	218,943	1,992,836	345,165
Weighted average number of ordinary shares outstanding during the period	253,000,000	253,000,000	253,000,000	253,000,000
Basic and diluted earnings per share (fils)	2.28	0.87	7.88	1.36

There have been no transactions involving ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information which would require the restatement of EPS.

6 TRADE AND OTHER RECEIVABLES

	<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
	<i>2022</i>	<i>31 December</i>	<i>30 June</i>
	<i>KD</i>	<i>2021</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>
Trade receivables	16,748,380	15,491,052	15,660,215
Retention receivables	119,850	134,915	221,622
	16,868,230	15,625,967	15,881,837
Less: Provision for expected credit losses	(5,553,512)	(5,461,756)	(6,188,483)
	11,314,718	10,164,211	9,693,354
Contract assets	1,053,110	1,056,629	1,198,533
Receivables from a related party (Note 10)	-	-	3,667
Deposits	123,609	109,521	93,554
Advances paid to suppliers	777,978	476,443	507,665
Staff receivables	100,384	122,804	-
Prepaid expenses	335,796	298,797	429,786
Other receivables	734,915	174,772	239,583
	14,440,510	12,403,177	12,166,142

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 2022

6 TRADE AND OTHER RECEIVABLES (continued)

Set out below is the movement in the allowance for expected credit losses of trade and retention receivables:

	<i>30 June</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
As at 1 January	5,461,756	6,046,969	6,046,969
Allowance for expected credit losses	52,803	-	173,972
Reversal of ECL	-	(566,557)	-
Exchange differences	38,953	(18,656)	(32,458)
As at the end of the period/ year	5,553,512	5,461,756	6,188,483

7 SHARE CAPITAL

Authorised, issued and paid-up share capital comprises of 253,000,000 shares of 100 fils each paid in cash.

In 2021, the Parent Company has increased its share capital from KD 22,000,000 to KD 25,300,000 through issuance of bonus shares. The share capital increase was authenticated in the commercial register in 7 June 2021 under registration number 108050.

8 LOANS AND BORROWINGS

	<i>30 June</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
Term loan	271,582	580,823	910,696
Tawaruq payables	14,067,900	14,869,351	15,891,128
Murabaha payables	4,500,000	4,500,000	4,995,000
	18,839,482	19,950,174	21,796,824
Non-current	14,677,459	15,652,011	20,151,848
Current	4,162,023	4,298,163	1,644,976

The amounts payable under Murabaha and Tawaruq agreements are repayable within 1 to 5 years. The amount due is settled on a deferred payment basis and bear a fixed interest at 2.75% (31 December 2021: 2.25% to 2.5%, 30 June 2021: 2.25 % to 2.5%).

Term loans carry finance charges at EIBOR+ 0.75% and are repayable within 5 years.

The Group's currency exposure for loans and borrowings is, as follows:

	<i>30 June</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
Currency			
Kuwait Dinars	18,567,900	19,369,351	20,886,128
Euro	271,582	580,823	910,696
	18,839,482	19,950,174	21,796,824

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 2022

8 LOANS AND BORROWINGS (continued)

Changes in liabilities arising from financing activities:

	<i>30 June</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
As at 1 January	19,950,174	23,167,998	23,167,998
Proceeds from borrowings	217,230	-	-
Repayment of borrowings	(1,304,167)	(3,148,844)	(1,334,940)
Exchange differences	(23,755)	(68,980)	(36,234)
As at the end of the period/ year	18,839,482	19,950,174	21,796,824

Debt covenants

Banking covenants vary according to each loan agreement. During the year, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan arrangements.

9 TRADE AND OTHER PAYABLES

	<i>30 June</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
Trade payables	7,790,358	9,124,119	9,739,037
Payables to a related party (Note 10)	-	-	31,365
Accrued expenses	1,268,440	1,059,452	995,734
Staff payables	1,209,392	1,415,209	1,584,844
Other payables	1,220,712	759,855	843,222
	11,488,902	12,358,635	13,194,202
Non-current	-	-	7,687,089
Current	11,488,902	12,358,635	5,507,113

10 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>30 June</i> <i>2022</i> <i>KD</i>	<i>Other affiliates *</i> <i>31 December</i> <i>2021</i> <i>KD</i> <i>(Audited)</i>	<i>30 June</i> <i>2021</i> <i>KD</i>
Services rendered to related parties	-	-	95,400
Other transactions	-	175,044	-
Amounts owed to related parties	-	-	31,365
Amounts owed by related parties	-	-	3,667

* *Other affiliates represent entities significantly influenced by key management personnel.*

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 2022

10 RELATED PARTY DISCLOSURES

Transactions with key management personnel

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate value of transactions and outstanding balances with related parties were as follows:

	<i>Transaction values for the six months ended</i>		<i>Balance outstanding as at</i>		
	30 June 2022	<i>30 June 2021</i>	30 June 2022	<i>31 December 2021</i>	<i>30 June 2021</i>
	KD	<i>KD</i>	KD	<i>KD</i>	<i>KD</i>
Salaries and other short-term benefits	660,728	451,555	54,000	71,017	116,516
Employees end of service benefits	31,315	21,127	571,302	578,469	562,600
	692,043	472,682	625,302	649,486	679,116

The Board of Directors at the meeting held on 29 March 2022 proposed directors' remuneration of KD 54,000 for the year ended 31 December 2021. The remuneration was approved by the shareholders at the AGM held on 20 April 2022.

11 SEGMENT 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, expenses and profit for the period ended 30 June 2022 and 30 June 2021 and assets and liabilities for the year ended 31 December 2021.

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>30 June 2022 (Unaudited)</i>		
	<i>Kuwait</i>	<i>Foreign</i>	<i>Total</i>
	<i>KD</i>	<i>operations</i>	<i>KD</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Total assets	61,414,592	32,968,739	94,383,331
Total liabilities	(31,097,065)	(1,980,690)	(33,077,755)
Revenues	5,576,085	6,797,702	12,373,787
Expenses	(7,702,272)	(3,544,549)	(11,246,821)
(Loss) profit for the year	(1,337,964)	3,330,800	1,992,836
Depreciation of property and equipment	(2,880,235)	(1,498,540)	(4,378,775)
Finance costs	(276,235)	(25,126)	(301,361)
Capital expenditures	165	594,761	594,926
Depreciation of right-of-use assets	(3,205)	(30,085)	(33,290)

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 2022

11 SEGMENT INFORMATION (continued)

	<i>31 December 2021 (Audited)</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	65,391,755	31,399,513	96,791,268
Total liabilities	(33,470,485)	(1,514,966)	(34,985,451)
	<i>30 June 2021</i>		
	<i>Kuwait KD</i>	<i>Foreign operations KD</i>	<i>Total KD</i>
Total assets	73,693,919	24,433,352	98,127,271
Total liabilities	(36,249,601)	(1,393,381)	(37,642,982)
Revenues	7,273,667	3,671,250	10,944,917
Expenses	(7,837,877)	(2,629,444)	(10,467,321)
(Loss) profit for the year	(466,989)	812,154	345,165
Depreciation of property and equipment	(3,317,239)	(1,080,187)	(4,397,426)
Finance costs	(279,841)	(28,857)	(308,698)
Capital expenditures	233,436	1,180,630	1,414,066
Depreciation of right-of-use assets	(2,642)	(29,887)	(32,529)

12 CONTINGENCIES

As at 30 June 2022, the Group's bankers had outstanding letter of guarantees and credits amounting to KD 2,765,487 (31 December 2021: KD 3,478,420 and 30 June 2021: KD 2,706,696) for the performance of certain contracts for which it is anticipated that no material liabilities will arise.

13 DISTRIBUTIONS MADE AND PROPOSED

The annual general assembly meeting (AGM) of the shareholders of the Parent Company held on 20 April 2022 approved cash dividends of 10 fils per share aggregating to KD 2,530,000 for the year ended 31 December 2021 (2020: bonus issue of 15 fils per share aggregating to KD 3,300,000 approved in the AGM held on 26 April 2021).