Sanam Real Estate Company and Subsidiary companies
Kuwaiti Shareholding Company Public
State of Kuwait

Interim Condensed Consolidated Financial Informations
For the period of six month ended
June 30, 2021 (Unaudited)
With Review Report

Sanam Real Estate Company and Subsidiary companies
Kuwaiti Shareholding Company Public
State of Kuwait

Index

	Page
Review report	-
Interim consolidated statement financial position as of June 30, 2021 (Unaudited)	1
Interim consolidated statement of comprehensive income for the period of six month ended at June 30, 2021 (Unaudited)	2
Interim consolidated statement of other comprehensive income for the period of six months ended at June 30, 2021 (Unaudited)	3
Interim consolidated statement of changes in owners' equity for the period of six month ended at June 30, 2021 (Unaudited)	4
Interim consolidated statement of cash flows for the period of six month ended at June 30, 2021 (Unaudited)	5
Notes to the interim consolidated financial statements	6 - 21

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المحاسب الكويتي أتش أل بي لتدقيق الحسابات
محاسبون قانونيون • مستشارون ماليون • خبراء ضرائب
شارع أحمد الجابر – برج شرق – الدور الثاني
ص.ب: ٢٦٨٨٨ – الصفاة ١٣١٢٩ الكويت
فاكس: ٢٢٤٠٣٢٠٥ – تلفون: ٢٢٤٤٩٤٥٤ - ٢٢٤١٥٨٢٢
عضو في أتش أل بي الدولية – المجموعة المالية العالمية
لشركات المحاسبة والمستشارون الماليون

Kuwait 28/07/2021

Report on review of interim financial information

M/s. Chairman and members of the Board of Directors
Sanam Real Estate Company and Its Subsidiary companies
Kuwaiti Public Shareholding Company (K.P.S.C)
State of Kuwait

Introduction

We have reviewed the accompanying Interim Condensed Consolidated financial position of **Sanam Real Estate Company and Its Subsidiary companies - Kuwaiti Public Shareholding Company (K.P.S.C)** - Kuwait as of June 30, 2021 and the related statements of i comprehensive income and other comprehensive income, changes in equity and cash flows for the six month period then ended. Management is responsible for the preparation and presentation of these interim financial information in accordance with the International Accounting Standards 34, "Interim Financial Reporting" our responsibility is to express a conclusion on this interim financial informatiion 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 cosnsists of making inquiries, primarily of person 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 of 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 cause us to believe that the accompanying interim financial information is not prepared, in all material respect, in accordance with International Accounting Standards 34, "Interim Financial Report".

Report on review of other Legal and Regulatory Requirements

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

Adel Mohammed Al-Sanea
License no. (86) A
Kuwaiti Accountant Office for Auditing

HLB Accountant Auditing
CERTIFIED PUBLIC ACCOUNTANTS

Sanam Real Estate Company and Subsidiary companies
Kuwaiti Shareholding Company Public
State of Kuwait

Interim consolidated statement financial position as of June 30, 2021 (Unaudited)

Assets	Notes	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
Non-current assets		K.D	K.D	K.D
Property and equipment		1,377	1,743	2,138
Right of utilization of the land	3	2,548,232	2,616,898	2,685,564
Investment real estate	4	3,141,498	3,141,498	2,700,000
Investment in real estate portfolio	5	1,256,687	1,209,249	-
Listed financial assets at fair value through other comprehensive income	6	198,824	498,834	498,855
Total non-current assets		**7,146,618**	**7,468,222**	**5,886,557**
Current assets				
Cash and cash equivalents	7	101,055	558,272	565,951
Trading properties		-	-	1,797,411
Listed financial assets at fair value through profit or loss	8	3,064,180	2,781,961	2,582,181
Other debit balances		7,858	2,303	7,600
Total current assets		**3,173,093**	**3,342,536**	**4,953,143**
Total assets		**10,319,711**	**10,810,758**	**10,839,700**
Shareholders' Equity and liabilities				
Shareholders' Equity				
Capital	9	12,218,500	12,218,500	12,218,500
Share premium		184,196	184,196	184,196
Treasury shares	12	(184,196)	(184,196)	(184,196)
Treasury shares sales profit reserve		23,215	23,215	23,215
Accumulated losses		(2,924,917)	(3,205,359)	(3,152,360)
Total Shareholders' Equity		**9,316,798**	**9,036,356**	**9,089,355**
Liabilities				
Non- current liabilities				
Provision for end of service benefits		41,895	40,583	49,012
Current Liabilities				
Creditor bank	13	899,627	1,672,919	1,633,199
Payables and Other credit balances		61,391	60,900	68,134
Total current liabilities		**961,018**	**1,733,819**	**1,701,333**
Total liabilities		**1,002,913**	**1,774,402**	**1,750,345**
Total shareholders' equity and liabilities		**10,319,711**	**10,810,758**	**10,839,700**

"The accompanying notes are an integral part of the financial statements"

Ali Abdulaziz Al-Namash

Chairman of Board of Directors

On behalf Mansour Abu Obaid

Interim consolidated statement of comprehensive income for the period of six month ended at June 30, 2021 (Unaudited)

	Notes	6 months ended June,30		3 months ended June,30	
		2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Revenues		K.D	K.D	K.D	K.D
Rental income		82,353	33,870	41,042	7,070
Dividends from financial assets at fair value through profit or loss		50,155	51,995	41,167	25,652
[illegible] statement		210,521	(60,492)	136,518	(33,732)
Realized profits from the sale of real estate portfolios		47,438	-	47,438	-
Profit (loss) from the sale of financial assets at fair value through profit or loss		72,110	(313,281)	59,177	196,522
Other interest income		6,653	15,080	1,575	6,790
		469,230	**(272,828)**	**326,917**	**202,302**
Expenses & other charges					
Staff costs		(35,127)	(37,123)	(17,588)	(18,891)
General and administrative expenses		(33,488)	(57,922)	(15,499)	(9,526)
Amortizatiion expenses	3	(68,666)	(68,666)	(34,333)	(34,333)
Portfoli's fees		(12,288)	(12,038)	(5,719)	(7,550)
Real estate maintenance expenses		(10,322)	-	(3,344)	-
Depreciation expenses		(366)	(338)	(183)	(169)
Finance expenses		(28,531)	(34,681)	(12,028)	(16,054)
		(188,788)	**(210,768)**	**(88,694)**	**(86,523)**
Profit / (Loss) for the period before share of kuwait foundation for the advancement of science and national labor support tax & zakat		**280,442**	**(483,596)**	**238,223**	**115,779**
Net profit / (loss)		**280,442**	**(483,596)**	**238,223**	**115,779**
profit / (Loss) per share - Fils	17	2.31	(3.99)	2.08	0.95

"The accompanying notes are an integral part of the financial statements"

Sanam Real Estate Company and Its Subsidiary companies
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Interim consolidated statement of other comprehensive income for the period of six month ended at June 30, 2021 (Unaudited)

	6 months ended June,30		3 months ended June,30	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
	K.D	K.D	K.D	K.D
Net profit / (loss)	280,442	(483,596)	238,223	115,779
Income / Other comprehensive (loss) : -				
Total income / Other comprehensive (loss)	280,442	(483,596)	238,223	115,779

"The accompanying notes are an integral part of the financial statements"

Sanam Real Estate Company and Its Subsidiary companies
Kuwaiti Shareholding Company Public
State of Kuwait

Interim consolidated statement of changes in shareholders' equity for the period of six month ended at June 30, 2021 (Unaudited)

	Capital	Share premium	Treasury Shares	Treasury shares sales profit reserve	Accumulated losses	Total
	K.D	K.D	K.D	K.D	K.D	K.D
Balance at Dec. 31, 2019 (Audited)	**12,218,500**	**184,196**	**(184,196)**	**23,215**	**(2,668,764)**	**9,572,951**
Total other comprehensive loss	-	-	-	-	(483,596)	**(483,596)**
Balance at June 30, 2020 (Unaudited)	**12,218,500**	**184,196**	**(184,196)**	**23,215**	**(3,152,360)**	**9,089,355**
Balance at Dec. 31, 2020 (Audited)	**12,218,500**	**184,196**	**(184,196)**	**23,215**	**(3,205,359)**	**9,036,356**
Total other comprehensive income	-	-	-	-	280,442	**280,442**
Balance at June 30, 2021 (Unaudited)	**12,218,500**	**184,196**	**(184,196)**	**23,215**	**(2,924,917)**	**9,316,798**

"The accompanying notes are an integral part of the financial statements".

Sanam Real Estate Company and Its Subsidiary companies
Kuwaiti Shareholding Company Public
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Interim statement consolidated of cash flows for the period of six month ended at June 30, 2021 (Unaudited)

	6 months ended June,30	
	2021 (Unaudited)	2020 (Unaudited)
Cash flows from Operating Activities :	K.D	K.D
Net profit / (loss)	280,442	(483,596)
Adjusted as follows :		
Depreciation	366	338
Amortizatiion of land right of utilization	68,666	68,666
	349,474	**(414,592)**
Changes in working capital items :		
Other debit balances	(5,555)	4,555
Creditor bank	(773,292)	1,633,199
Payables and Other credit balances	491	(22,887)
Provision for end of service benefits	1,312	(440)
Net cash flows resulting from operating activities	**(427,570)**	**1,199,835**
Cash flow from investment activities		
Purchase property and equipment	-	(1,178)
Investment real estate	-	(2,700,000)
Real estate portfolio	(47,438)	-
Listed financial assets at fair value through profit or loss	(282,219)	833,486
Listed financial assets at fair value through other comprehensive income	300,010	25
Net cash flows used in investing activities	**(29,647)**	**(1,867,667)**
Net decrease in cash and cash equivalents	**(457,217)**	**(667,832)**
Cash and cash equivalents at the beginning of the period	558,272	1,233,783
Cash and cash equivalents at end of period	**101,055**	**565,951**

"The accompanying notes are an integral part of the financial statements".

1. General Information

- Sanam real estate company – K.S.C.C was incorporated in the State of Kuwait on Feb. 23, 1982 according to the commercial companies Law No. 15 for the year 1960 as amended.
- On April 2, 2008 the capital has been registered in the commercial register to be increased to 12,218,500 K.D.

- **The purposes for which founded the company are :**
  - To purchase and sale of land and real estate, manage, rent, lease, purchase and sale of shares, bonds and other securities of companies having similar objects to the account of the company executing the same individually or jointly with others having similar objects directly or through others in or outside Kuwait and to acquire these entities or to join it.
  - "Utilization of the monitory surplus available with the company by investing them in portfolios to be run by companies and specialized financial institutions". "Preparing studies and representing consultants in all real estate aspects, preparing real estate exhibitions which are related to the company projects, doing real estate auctions according to ministry systems. Acquiring trading markets and complexes, run it, and contribution in policing basic structure for the regions and housing, trading and industrial projects using building, operating, transfer (the B.O.T system) as well as run it.

- **The address of the company**
  - P.O.Box 491, Souk Dakely -Kuwait.
  - The shares of the company have been listed in Kuwait Stock Exchange on 28/12/2004.

- **The issuance of interim financial information**

  The interim condensed consolidated financial information were authorized for issue by the board of directors on 01/08 2021.

2. Most significant accounting policies followed :

- **Basis of preparation**

The consolidated financial statements are presented in Kuwaiti Dinars and are prepared on the historical cost basis except for financial assets at fair value through profit or loss.
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the amount received from the sale of the asset or paid to settle the obligation in a normal transaction between the parties to the market as at the date of measurement.
The consolidated financial statements are prepared in accordance with International Financial Reporting Standards requires management to make judgments, estimates and assumptions in the process of applying the Group's accounting policies. I have been disclosed this accounting judgments, estimates and assumptions important.

- **Standards and Interpretations issued and effective**

The accounting policies applied by the company similar to those applied in the previous year that the standards and interpretations issued and amended and applicable as of December 31, 2020 the company's management does not expect to have an impact on the financial statements of the company.

- **Standards and Interpretations issued but not effective**

The following new and amended IASB Standards have been issued but are not yet effective, and have not been adopted by the Group:

IFRS 9 - Financial Instruments

The Group has adopted IFRS 9 Financial Instruments issued by the International Accounting Standards Board (IASB). IFRS 9 establishes requirements for the recognition and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The principal changes in the Group's accounting policies as a result of the adoption of IFRS 9 are summarized below:

- **Classification and measurement of financial assets**

To determine the class of measurement and measurement, IFRS 9 requires that all financial assets, except for equity instruments and derivatives, be assessed based on the entity's business model used to manage the asset and the contractual cash flow characteristics of the instrument.

- **Business Valuation Model**

The Group determines its business model at the level that best reflects the way it manages the financial asset group to achieve the purpose of the business and to generate contractual flows. The Group's business model is not evaluated on a tool-by-instrument basis but is evaluated at a higher portfolio level and is based on observable factors such as:

- Policies and objectives set for the portfolio and implementation of those policies in force,
- Risks affecting the performance of the business model (and financial assets held within the business model), in particular the manner in which such risks are managed.
- The frequency and volume of the timing of sales in previous periods, the reasons for these sales and the expectations expected from them about the future sales activity.

The evaluation of the business model is based on reasonably predictable scenarios without taking the worst case or the compressed situation into account. If cash flows are recognized after initial recognition in a way that is different from the Group's original expectations, the Group will not change the classification of the remaining financial assets held in the business model and, on the other hand, will include this information when evaluating newly acquired or recently acquired financial assets in subsequent periods.

- **Determining whether contractual cash flows represent payments of principal and interest only (test of payment of principal and interest only)**

The Group assesses the contractual terms of the financial asset to determine whether it meets only the principal and interest payment test. For the purpose of this test, the "principal amount" is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. Interest is defined as representing the time value of funds and credit risk relating to the principal amount as well as against other basic lending risks and costs, together with the profit margin. In determining whether contractual cash flows represent payments of principal or interest only, the Group considers whether the financial asset includes a contractual requirement that would result in a change in the timing and value of contractual flows that would result in failure to meet that requirement.

The Group classifies its financial assets upon initial recognition into the following categories:

- Financial assets carried at amortized cost
- Financial assets at fair value through comprehensive income
- Financial assets carried at fair value through other comprehensive income

- **Financial assets carried at amortized cost**

The financial asset is stated at amortized cost if it meets the following conditions:

- The asset is retained in the "business model" intended to hold assets for the collection of contractual cash flows;
- The contractual terms of the financial asset on specific dates lead to cash flows consisting of payments of principal amounts and interest only to the principal amount outstanding.

Financial assets carried at amortized cost are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in comprehensive income and other comprehensive income. Any gain or loss arising from non-recognition is recognized in comprehensive income and other comprehensive income. Cash, cash, equivalents and receivables are classified at amortized cost.

- **Financial assets carried at fair value through comprehensive income**

The financial assets included in this category are those assets that were classified by the management upon initial recognition or those that should be measured at fair value under IFRS 9. Management classifies its performance at fair value through comprehensive income that does not meet its measurement requirements at amortized cost or at fair value through other comprehensive income only if it significantly excludes or limits any accounting inconsistency that may arise. Financial assets with contractual cash flows that do not represent principal and interest payments only are to be measured at fair value through comprehensive income.

Financial assets at fair value through the statement of comprehensive income are subsequently measured at fair value .Changes in the fair value are included in the statement of comprehensive income and other comprehensive income .Interest income is recognized using the effective interest method .Dividend income from investment in equity is recognized in the statement of comprehensive income and other comprehensive income when the right to receive the payments is established.

- **Financial assets carried at fair value through other comprehensive income**

Upon initial recognition, the Group may choose to classify certain equity investments in a non-reversible manner as equity instruments at fair value through other comprehensive income when they meet the definition of equity in accordance with IAS 32 Financial Instruments

The offer is not held for trading. Such a rating is determined on a tool-by-instrument basis.

Gains and losses on equity instruments are not recognized in profit or loss. Dividends are recognized in profit or loss when the right to receive them is established, unless the Group takes advantage of the proceeds as a part of the cost of the instrument. In this case, the gain is recognized in other comprehensive income. Equity instruments carried at fair value through other comprehensive income are not tested for impairment. Upon derecognition, the cumulative gain or loss from the fair value reserve is reclassified to the profit recognized in the statement of changes in equity.

- **Reclassification of financial assets**
  The Group reclassifies its financial assets after initial recognition only when a change in the business model occurs.

- **Impairment of financial assets**
  The adoption of IFRS 9 has resulted in a material change in the Group's accounting policy for impairment losses on financial assets by replacing the method of losses incurred under IAS 39 with the expected future credit loss approach. IFRS 9 requires the Group to record an allowance for expected credit losses on all financial assets that are not held at fair value through profit or loss. The Group has applied the simplified methodology contained in the Standard and calculated the expected credit losses based on expected credit losses over the life of the instrument. The Group has used a provision matrix based on the Group's historical experience of credit losses and has been adjusted to reflect future factors.
  The expected credit losses are based on the difference between contractual flows used in accordance with the contract and all cash flows that the Group expects to receive. The deficit is then discounted to the original interest rate of the asset.
  The Group treats financial assets as an asset associated with defaults in the event of delay in the payment of contractual payments for 90 days. However, in some cases, the Group may consider the financial asset to be impaired if internal or external information indicates that the Group is not likely to receive the full amount of the contractual amounts in full before taking into account any credit enhancements retained by the Group.

- **Financial liabilities**
  Accounting for financial liabilities will, to a large extent, continue to be in accordance with the requirements of IAS 39 except for the treatment of gains or losses arising from the Group's credit risk on liabilities classified as at fair value through profit or loss. These movements are presented in other comprehensive income without reclassification to profit or loss.

- **Coverage accounting**
  The Group has not been affected by the new guidance on hedge accounting under IFRS 9, as the Group does not deal in derivative instruments.

- **The transition to the application of the IFRS No. (9)**
  The changes in accounting policies arising from the application of IFRS 9 have been applied retroactively, except as described below:
  1. Comparative periods are not included. Differences in the carrying amount of financial assets and financial liabilities arising from the application of IFRS 9 are included in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9, Is not comparable to the information presented for 2017.
  2. The following evaluations have been conducted on the basis of information and conditions at the initial application date.
     - Determine the business model in which the financial asset is held.
     - Classification and elimination of prior classifications of certain financial assets and financial liabilities as measured at fair value Through profit and loss.
     - Classification of certain investments in equity instruments that are not held for trading as a fair value During other comprehensive income.

IFRS 15 - Revenue from contracts with customers

The standard, effective for annual periods beginning on or after January 1, 2018, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the following existing standards and interpretations upon its effective date:

- IAS 18 – Revenue,
- IAS 11 – Construction Contracts,
- IFRIC 13 – Customer Loyalty Programs,
- IFRIC 15 – Agreements for the Construction of Real Estate,
- IFRIC 18 – Transfers of Assets from Customers, and,
- SIC 31 – Revenue-Barter Transactions Involving Advertising Services

- **Basis of consolidation**

Subsidiaries are those enterprise controlled by the parent company or posses either 50% of more from the voting shares. Control is exist when the parent company has the power , directly or indirectly, to govern the financial and operating policies of the subsidiary to obtain benefits form its activities. The financial statement of the subsidiary company is included the consolidated financial statements from the date of that control effectively commences until the date that control effectively ceases. Minority interest from the subsidiary equity and operation are presented in a separate item in the balance sheet. Any mutual balances or transactions and unrealised gains are eliminated on consolidation.

The consolidated financial statement are prepared using uniform accounting policies for like transactions and other evenets in similar circumstances.

The consolidated financial statements for the year include the financial statements of the parent company and its subsidiary - Fanan Real Estate Company - KSC Public Fanan Real Estate Company was incorporated as a limited liability company on March 1, 2006 under a contract notarized No. 1282 leather one with a capital of 8,250,000 Kuwaiti dinars. I have been dated January 3, 2010 to transfer legal entity KSC Public under contract to convert a legal entity of a limited liability company into a joint stock company Public under contract number 480 is guaranteed under the skin of 1 in with a capital of 1,000,000 Kuwaiti dinars.). The ratio of ownership of the company on the financial statements accounted for 99.96%, and therefore is not shown minority rights in the data for the diminutive lineage.

Subsidiary Company: -

Company Name	ownership percentage	Country of incorporation	Company Headquarters
Fanan Real Estate Company - Closed Kuwaiti Shareholding Company	99.67%	Kuwait	Kuwait - Al Qibla - Al Sour Street - Munther Tower - Mezzanine Office No.2

❖ **Financial instruments**

Financial assets and financial liabilities are recognized when the Group is a party to the contractual provisions of these instruments. The financial assets and liabilities included in the consolidated statement of financial position include cash and cash equivalents, debtors, creditors and investments at fair value through the statement of other comprehensive income.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement .Interest, dividends, profits and losses that relate to a financial instrument classified as a liability are recognized as an expense or income .Distributions to holders of these financial instruments classified as equity are directly charged to the equity.

Financial instruments are shown on the net when the Group has a binding legal right to settle the assets and liabilities on the net and intends to pay either the net or by selling the assets and paying the liabilities simultaneously.

a) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

b) Creditors

Creditor's item represents the obligation to repay the value of the goods or services that have been purchased in the ordinary course of business. The inclusion of trade creditors initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Creditors classified as current liabilities if payment is worth in a year or less, or within the normal operating cycle of activity, whichever is longer, and otherwise, are classified as non-currentliabilities.

c) Investments at fair value through statement of other comprehensive income

Investments are initially recognized at cost, which includes costs associated with the purchase of the investment and represents the fair value of the consideration given. After initial recognition, investments are measured at fair value through the statement of other comprehensive income, the fair value of investments traded in recognized financial markets is the stated market price based on the last purchase order, the fair value of investments that do not have market prices is estimated compared to the current market value of instruments Other similar financial or reliance on discounted cash flow analysis or using option pricing models. In the absence of a reliable method for measuring investments at fair value through the statement of other comprehensive income, they are stated at cost less impairment losses.

Unrealized gains and losses resulting from changes in the fair value of investments at fair value are included in the statement of other comprehensive income and shareholders 'equity, when an available-for-sale investment is sold, any amounts related to this investment are transferred to shareholders' equity to the statement of comprehensive vinegar when calculating profit or loss . Any amounts included in shareholders' equity are also transferred to the statement of comprehensive vinegar when there is a decrease in the value of the prices.

At the end of each fiscal year, the Group assesses and determines whether there is objective evidence that there is an impairment in the value of a financial asset or a group of financial assets .In the case of securities classified as investments at fair value through other comprehensive income statement, any significant or prolonged decline in the fair value of the investment that becomes less than the cost of the investment is taken into consideration when determining whether there is a decrease in the value. In the event that there is any evidence of a decrease in the value of investments at fair value through the statement of other comprehensive income, the total cumulative loss - the difference between the acquisition cost and the current fair value minus any impairment losses for these investments that were previously recognized in the consolidated statement of comprehensive vinegar - Converted from other comprehensive income to consolidated statement of vinegar .The impairment losses recognized in the statement of comprehensive vinegar for investments are not reversed through the consolidated statement of vinegar.

d) Investment in associate company

Associate is a company that owns the parent by the company from 20 to 50% of the voting rights or have generally a material effect on the financial, operational and administrative policies and does not extend to the control of the company, directly or indirectly, and prove the investment in associate using the equity method, the company's share of its associates' and included in the profit and loss statement as investment in associate company appears in the statement of financial position reflects the value of the company's share of the net assets of the associate, distributions received from an associate reduce the carrying amount of the investment.

e) Land right of utilization

Land (right of utilization) is recorded at cost, and will be amortized upon its expected useful life, on thirty years , effected from 9/9/2009. The amortization was calculated for 2010.

f) Fixed assets

The initial costs of the fixed purchase price of the assets include any costs directly related to bringing the asset to working condition and location for its intended use. The inclusion of expenses incurred after running fixed assets such as repairs and maintenance and inspection in profit or loss in the period the compound which the costs are incurred there. In cases where clearly shows that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of a property, real estate and equipment to the upper limit of the specified performance standard basis, it is capitalized as an additional cost of property, real estate and equipment.

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Depreciation is computed on a straight-line basis over the estimated useful lives of fixed assets Items estimated five years.

When selling assets Oanhae service, are eliminated cost and accumulated depreciation from the accounts and any gain or loss resulting from their disposal in profit or loss compound. Are reviewed useful life and depreciation method periodically to ensure that the method and period of depreciation agree with the expected pattern of economic benefits from items of fixed assets.

Be canceled recognition items of property, real estate and equipment at the exclusion or when the absence and presence of unexpected economic benefit from the continued use of these assets.

g) Impairment of assets

At the end of the financial year, the Group reviews the carrying values of assets to determine whether there is evidence of impairment in the value of those assets. If such evidence exists, the recoverable amount is estimated recoverable assets to calculate the impairment loss, if it is not possible to estimate the recoverable amount of the asset is an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the fair value less costs to sell or value in use, whichever is higher. The value in use, the estimated through the expected future cash flows are discounted to their present value using an appropriate discount rate. Should reflect the discount rate current market assessments of the time value of money and the risks specific to the asset.

If the recoverable value of the estimated recoverable of the asset (or cash-generating unit) is less than the carrying value of the asset, the carrying value of the asset reduction (or cash-generating unit) is reduced to its recoverable amount. Must impairment loss is recognized immediately in the income statement or compound losses, unless the carrying value of the asset hostile assessed in this case should be treated impairment loss asset carried at a re-evaluation.

When the impairment loss is reversed in the later value, increasing the carrying amount of the asset (or cash-generating unit) to the estimated value of the revised recoverable. Must not exceed the carrying amount due to the impairment loss is reversed for Notebook amount that would have been determined if he had not recognized any impairment loss value of the asset (or cash-generating unit) in prior years. Unlike should be recognized impairment loss in value directly in profit or loss, unless the compound was hostile carrying value of the asset evaluation and in this case the reversal of impairment losses as a revaluation increase processing.

h) Treasury shares

The treasury shares in a company that was self-issued shares and then repurchase later by the company has not been reissued or canceled so far. Treasury shares are treated using the cost method, according to this method, it is the weighted average cost of the shares reacquired in a contra account to shareholders' equity.

When the issuance of these shares Gains in a separate account is not available for distribution in the equity "reserve Gain on sale of treasury shares." As is loaded any unrealized losses on the same account to the extent of the credit balance on that account, and are loaded on additional earnings losses and then reserves.

Gains realized subsequently on the sale of treasury shares to offset any previously recorded losses in reserves, retained earnings and the gain on sale of treasury shares, respectively. Are not paying any cash dividends on treasury shares. And leads to issue bonus shares to increase the number of treasury shares proportionately and reduces the average cost per share without affecting the total cost of treasury shares.

When you purchase any of the company's equity stake in the parent company's capital ownership (treasury shares), the consideration paid, including the deduction of incremental costs directly related to the treasury shares of the company's shareholders ownership rights of mother-to-be canceled or re-issued stock. In the event of subsequent re-issuance of shares, any amount received, net of direct costs of the operation in the private property rights of the shareholders of the company's discount (mother).

i) Provision for Indemnity

Is calculated by the end of service benefits in accordance with the Kuwait labor law and employee contracts, this unfunded liability represents the amount payable to each employee as a result of involuntary termination on the balance sheet date, and approximates the current value of the final commitment.

j) Foreign currency

Transactions in foreign currencies are in Kuwaiti Dinars, according to the exchange rates prevailing at the dates of the transactions. And are re-monetary assets and liabilities denominated in foreign currencies on the end of the financial year to Kuwaiti Dinars, according to the exchange rates prevailing on that date. Non-monetary items denominated in foreign currencies at fair value are retranslated at the exchange rate prevailing at the date of the determination of fair value. The non-monetary items in foreign currencies listed on the basis of historical cost are not retranslated.

Transfer differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the consolidated statement of comprehensive income for the period .As for the transfer differences resulting from non-monetary items, such as investments in financial instruments and classified as investments at fair value through profits or losses, they are included in the profits or losses of change in the fair value .Transfer differences arising from non-monetary items, such as investments in financial instruments and classified as investments at fair value through the statement of other comprehensive income, are included in "cumulative changes in fair value" within other comprehensive income.

The assets and liabilities of the foreign subsidiaries are translated into Kuwaiti dinars at the exchange rates prevailing at the end of the financial period .The business results of these companies are transferred to the Kuwaiti dinar according to exchange rates almost equal to the exchange rates prevailing at the date of these transactions. The assessment differences resulting from the transfer are directly included in the other comprehensive income .These differences are included in the consolidated statement of comprehensive income during the period in which foreign operations are excluded.

Goodwill and fair value adjustments arising on the acquisition of foreign companies are treated as assets and liabilities of foreign companies and are translated using the exchange prevailing at the date of closing.

k) Verification of income

Revenue fair value of the consideration received or receivable from the sale of operations or the provision of services and the other in the ordinary course of the company include the activity. The group checks the revenue when it is possible to measure reliably and it is probable that future economic benefits will flow to the company.

- **The sale of land and real estate profits**

  Revenue from the sale of real estate development and trading are recognized when the significant risks and benefits to the buyer moves and the possibility of measuring the amount of revenue data to be reliably.

- **Profits from sale of investments**

  Sale investments are measured as the difference between the sale proceeds and the carrying value of the investment at the date of disposal, and is recognized on completion of the sale process in the comprehensive income statement.

- **Dividends**

  Dividend revenue is recognized when the right company to receive payment.

- **Other income and expenses**

  The Revenue and other expenses on an accrual basis.

l) Contingencies

Are not recognized contingent liabilities in the financial statements only when the use to repay present legal or constructive obligation as a result of economic resources of past events likely with the possibility of estimating the expected repayment amount significantly. Otherwise, the disclosure of contingent liabilities, unless the possibility of achieving economic losses unlikely.
Are not recognized the potential assets in the financial statements but disclosed when an investigation.

m) Views and Critical accounting estimates and assumptions

The group of some opinions and estimates and assumptions concerning the future. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards requires management to express an opinion and to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and contingent liabilities on the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from these estimates.

• Views

By applying the Group's accounting policies as described in the accompanying notes process, management has made the following judgments that have a significant effect on the amounts recognized in the consolidated financial statements.

- Revenue

Revenue is recognized when there are potential economic benefits to the group, and revenue can be measured reliably, if the characteristics of revenue recognition are determined as described in IFRS 15.

- Classification of investments

The Group follows the guidance of IFRS 9 for the classification of its investments. When the investment is acquired, the Group determines whether it will be classified as "at fair value through the statement of other comprehensive income".

The parent company classifies its investment properties as properties held for trading if they are acquired for the purpose of sale and classified as property development if it has been acquired for the purpose of development.

- Impairment of investments

Parent Company's management considers that the investments available for sale has been a decline in value when there is a significant or prolonged decline of the fair value for the cost. The determination of whether an influential or prolonged decline may require significant judgment.

• Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation is confirmed at the end of the reporting period that have a significant risk of causing material adjustment to the carrying values of assets and liabilities within the next financial year are as follows:

- **The fair value of unquoted investments**

The Group calculates the fair value of investments that are not operating in an active market (or unlisted securities) through the use of valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are similar, relying on the analysis of discounted cash flow, the use of option pricing models that reflect the issuer's specific circumstances. The This assessment requires the Group to make estimates about the expected rates and discount future cash flows which are prone to be uncertain.

- **Impairment of non-financial assets**

The impairment occurs when the carrying amount of the asset (or cash-generating unit) recoverable value. Which represents the fair value less costs to sell or value in use, whichever is higher. The fair value less costs to sell calculation is based on data available from the sales transactions in arm's length transactions of similar assets or market prices that can be observed less the additional costs necessary to exclude the original. Value in use calculation is based on a discounted cash flow model. Those cash flows from the financial budget arise for the next five years, which does not include restructuring the company or influential investments has not adhered to and that will enhance the performance of the activities of the parent (or cash-generating unit) in the future. The recoverable amount is most sensitive to the discount rate used by the DCF as well as future cash flows and the growth rate used for extrapolation purposes.

The issuer's specific circumstances. This valuation requires the Group to make estimates of future discounted cash flows which are likely to be uncertain.

3. Right of utilization of the land

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Balance at the beginning of the period / year	**2,616,898**	**2,753,654**	**2,754,230**
Additions during the period / year	-	576	-
Amortization during the period / year	(68,666)	(137,332)	(68,666)
Balance	**2,548,232**	**2,616,898**	**2,685,564**

This item represents the amortized cost of the right to exploit a land in the Jadaf area with a BOT system in the United Arab Emirates - Dubai. The company has calculated amortization of the usufruct cost according to the expected benefit period of the land, which is estimated at thirty years, starting from September 9, 2009. The land was assessed by an accredited independent assessor. In the United Arab Emirates, the valuation amounted to 49,300,000 UAE dirhams, equivalent to 4,070,849 Kuwaiti dinars as on December 31, 2020.

4. Investment real estate

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Balance at the beginning of the period / year	**3,141,498**	**2,741,130**	**2,700,000**
Transfer from trading properties	-	481,841	-
Change in fair value	-	(81,473)	-
Balance	**3,141,498**	**3,141,498**	**2,700,000**

- This item is represented in the value of an investment property in Bneid Al-Qar in the State of Kuwait with a value of KD 2,580,000. The company owns a document of ownership of the property in the name of the company and the mentioned value according to the lower valuation approved on 31/12/2020.
- It also represents the value of a villa in the Jumeirah area in the United Arab Emirates with a value of KD 561,498 and the mentioned value according to the approved valuation on 12/31/2020.

5. Investment in real estate portfolio

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Balance at the beginning of the period / year	**1,209,249**	**1,271,522**	**-**
Profit on the sale of real estate portfolio	47,438	-	-
Change in fair value	-	(62,273)	-
Balance	**1,256,687**	**1,209,249**	**-**

This item represents the value of a land in the Kingdom of Saudi Arabia - Riyadh City - Sheikh Jaber Street, with an area of (4,717) square meters. The company purchased the land in exchange for selling its share in trade fairs in Saudi Arabia - Khurais Street, as well as its share in the land of Sheikh Jaber Street - Riyadh, which is (3,035) square meters, and a profit of 47,438 dinars was realized from this sale.

6. Listed financial assets at fair value through other comprehensive income

- This item represents the value of an investment in bonds in the United Real Estate Company for a period of five years, the rate of return on investment is 2.5% above the discount rate announced by the Central Bank of Kuwait. The return is distributed every three months, and this investment has been classified according to Standard (9) for financial instruments Listed at amortized cost.
- The company made a partial sale of the bonds during the period and the sale was carried out at cost without making a profit.

7. Cash & equivalent cash

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Cash on hand and current accounts at the Bank	16,245	11,924	8,892
Cash on portfolio	84,810	546,348	557,059
Total	**101,055**	**558,272**	**565,951**

8. Listed financial assets at fair value through profit or loss

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Investment in financial portfolios	3,039,466	2,757,247	2,557,467
Investment in non-traded companies	24,714	24,714	24,714
Total	**3,064,180**	**2,781,961**	**2,582,181**

Some of the above mentioned portfolios are managed by related parties and include KD 3,039,466 (KD 2,557,467 as at 30 June 2020) mortgaged for a local bank against an overdraft of KD 1,750,000 at a interest rate of 2.5% above the discount rate declared by the Bank Central Kuwait.

9. Capital

The authorized and paid up capital now become K.D 12,218,500 consists of 122,185,000 shares of 100 fils each.

10. Statutory reserve

In accordance with the requirements of the Companies Act and the Statute of the parent company, 10% of the profit for the year attributable to shareholders of the parent company by the Kuwait Foundation for the Advancement of Science and the share of Zakat to the statutory reserve. The parent company may stop this conversion when the balance of statutory reserve up to 50% of the capital. This reserve is not available for distribution except in cases provided for in the Act and the Statute of the parent company. No transfer to the statutory reserve during the financial year ended December 31, 2020 because of the accumulated losses of the parent company.

11. Voluntary reserve

In accordance with the requirements of the Statute of the parent company, 10% of the profit for the year attributable to shareholders of the parent company by the Kuwait Foundation for the Advancement of Science and the share of Zakat to the voluntary reserve. It may stop this conversion decision of the Ordinary General Assembly on the proposal of the Board of Directors. No transfer to the Optional Reserve during the financial year ended December 31, 2020 because of the accumulated losses of the parent company.

12. Treasury shares

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Number of treasury shares	872,600	872,600	872,600
Cost of treasury shares	(184,196)	(184,196)	(184,196)
Percentage of treasury shares	**0.71%**	**0.71%**	**0.71%**
Market value of treasury shares	**58,464**	**30,105**	**26,091**

13. Creditor bank

This item represents the balance of credit facilities granted to the company by a local bank interest rate of 2.5% above the rate declared discount by the Central Bank of Kuwait, said that the facilities granted to guarantee mortgage portfolio and financial own company, which is managed by the Wafra International mentioned investment in Note (8) Under financial assets at fair value through comprehensive income.

14. Contribution to Kuwait Foundation for the Advancement

Share is calculated by the Kuwait Foundation for the Advancement of Science at 1% of the profit of the parent company after deducting the parent company's share of the profit contribution of subsidiaries and associates and transfer to the statutory reserve. It is not calculated the share of the Kuwait Foundation for the Advancement of Science for the fiscal year ended December 31, 2020 for lack of profit is calculated on the basis of contribution to Kuwait Foundation for the Advancement tax.

15. National Labor Support Tax

The company calculates the National Labor Support Tax in accordance with Law No. 19 of 2000 and the decision of the Minister of Finance No. 26 of 2000 and No. 5 in 2004 and No. 24/2006, so as to support national employment and encourage them to work at a rate of 2.5% of the profit for the taxable year, after the deduction of the compensation and dividend listed investee companies by the company. Tax is not calculating the national labor and financial support for the year ended in December 31, 2020 for lack of profit is calculated on the basis of national labor support tax.

16. Zakat

Is calculated Zakat at 1% of the profit of the parent company after deducting its share of the parent company of the Kuwaiti shareholding companies subsidiaries and affiliates are subject to the same law the profits as well as the share of Zakat paid by Kuwaiti shareholding subsidiaries are subject to the same law, cash dividends received from Kuwaiti companies are subject to the same law to contribute according Law No. 46 of 2006 and the Ministerial Decree No. 58 of 2007, the executive and its implementing rules. It is not calculated the share of Zakat for the fiscal year ended December 31, 2020 for lack of profit is calculated on the basis of the zakat tax.

17. Profit / (loss) / per share

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
	K.D	K.D	K.D
Net profit / (loss)	280,442	(792,547)	(483,596)
Weighted average number of shares	121,312,400	121,312,400	121,312,400
profit / (Loss) per share - Fils	**2.31**	**(6.53)**	**(3.99)**

18. Proposed dividends

The Board of Directors has proposed to the Ordinary General Assembly of the shareholders of the company not to distribute dividends for the financial year ending 31/12/2020, and the Ordinary General Assembly of the shareholders of the company approved this proposal at adate later than the date of the financial statements in its session held on April 21, 2021.

19. Related party transactions

	30 June 2021 (Unaudited)	31 Dec 2020 (Audited)	30 June 2020 (Unaudited)
Transactions included in the consolidated statement of financial position : -	K.D	K.D	K.D
Listed financial assets at fair value through profit or loss	3,039,466	2,757,247	2,557,467
Cash and cash equivalents	84,810	546,348	557,059
Transactions included in the consolidated statement of profit or loss : -			
Fees portfolios	(12,288)	(24,779)	(12,038)
Reward key management personnel :-			
Short-term salaries and benefits	(31,020)	(58,643)	(33,157)
End of service benefits	(1,313)	(5,134)	(3,965)

20. Segment informations

- The Parent Company and its subsidiary operate in two major geographical sectors: Kuwait and some Gulf Arab countries.
- Organize parent company and its subsidiaries in its two main sections in order to be able to manage its various business segments. For the purposes of segment information has organized a management company's activities in the sectors of the business sector are project management, real estate development and financial sector investments.

- **The information includes the results of the sectorial sector and sector revenues and expenses and assets and liabilities related to the sector as follows :-**

	Investments		Real estate				Total	
	6 months ended June,30		6 months ended June,30		6 months ended June,30		6 months ended June,30	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	K.D	K.D	K.D	K.D	K.D	K.D	K.D	K.D
Revenues	386,877	(306,698)	82,353	33,870	-	-	469,230	(272,828)
Net profit / (loss)	374,589	(318,736)	3,365	(34,796)	(97,512)	(130,064)	280,442	(483,596)
Total assets	3,364,059	5,444,398	6,946,417	5,385,564	9,235	9,738	10,319,711	10,839,700
Total liabilities	-	-	899,627	1,633,199	103,286	117,146	1,002,913	1,750,345
Net	3,364,059	5,444,398	6,046,790	3,752,365	(94,051)	(107,408)	9,316,798	9,089,355

21. Effects of COVID-19

The outbreak of Coronavirus ("COVID-19") pandemic and related global responses have caused material disruptions to businesses around the world, leading to an economic slowdown. Global and local equity markets have experienced significant volatility and weakness. While governments and central banks have reacted with various financial packages and reliefs designed to stabilise economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear at this time. Management of the Group is actively monitoring the effects COVID-19 may have on its business operations. However, it believes reliable information is not available at this time to quantify the effects of COVID-19 on this interim condensed consolidated financial information.