

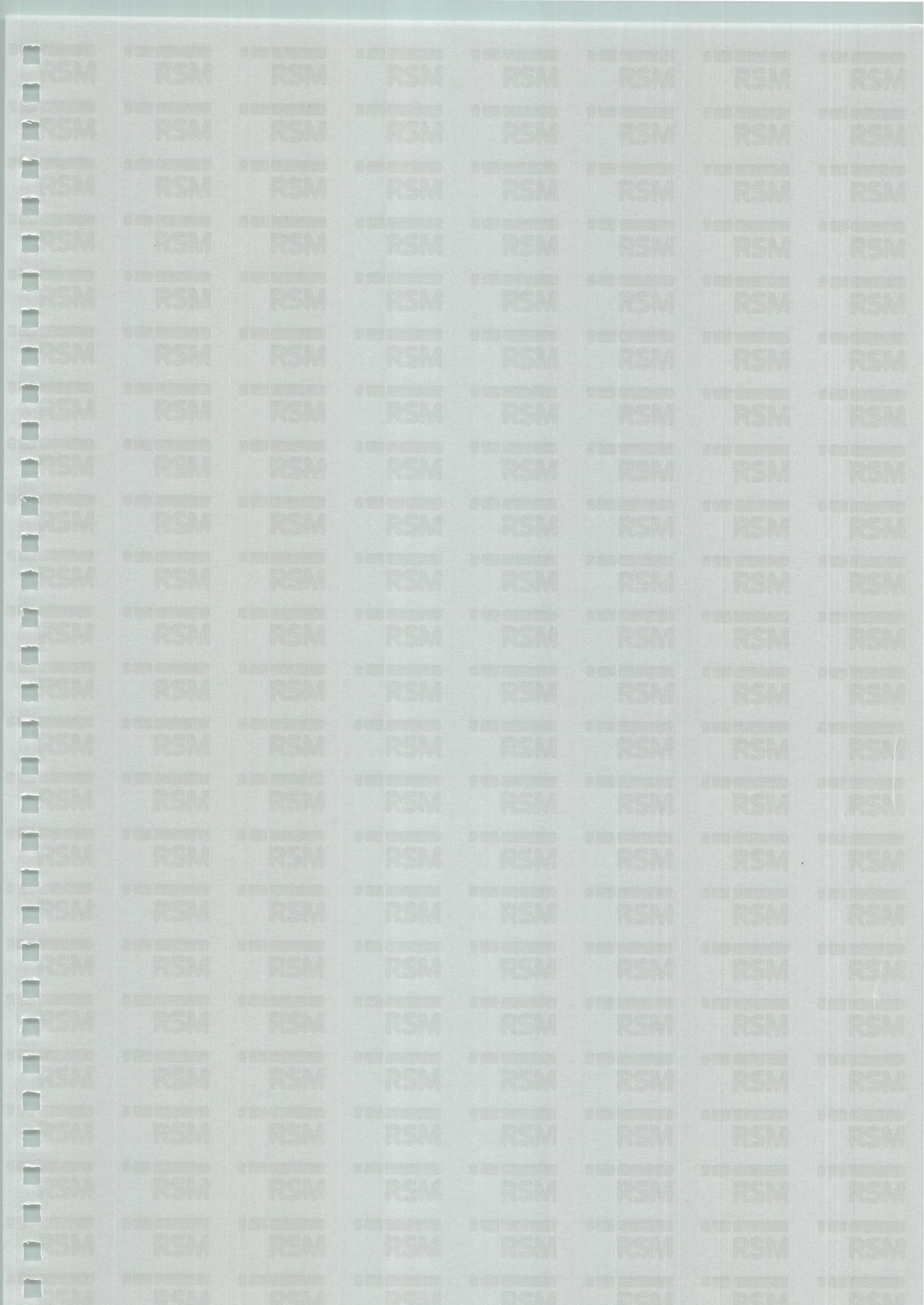
**MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED MARCH 31, 2020
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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RSM Albazie & Co.

Arraya Tower 2, Floors 41 & 42
Abdulaziz Hamad Alsaqar St., Sharq
P.O. Box 2115, Safat 13022, State of Kuwait

T +965 22961000

F +965 22412761

www.rsm.global/kuwait

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors of
Mubarrad Holding Company - K.S.C.P. and its subsidiaries
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Mubarrad Holding Company - K.S.C.P. (the "Parent Company") and its subsidiaries (Collectively the "Group") as at March 31, 2020, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity, and cash flows for the three months period then ended. 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 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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


Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report 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, its Executive Regulations as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association during the three months period ended March 31, 2020 that might have had a material effect on the Parent Company's financial position or result of its operations.

State of Kuwait
August 13, 2020


Nayef M. Al-Bazie
License No. 91-A
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MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

			March 31, 2020	December 31, 2019 (Audited)	March 31, 2019
ASSETS					
Current assets:					
Cash and cash equivalents	4		3,301,997	3,022,061	3,693,011
Accounts receivable and other debit balances			987,482	1,139,297	1,174,820
Due from a related party	5		8,165	-	9,000
Inventories			617,045	605,317	512,408
Total current assets			4,914,689	4,766,675	5,389,239
Non-current assets:					
Financial assets at fair value through profit or loss			895,163	887,889	901,910
Investment in an associate			3,808,535	3,784,469	3,786,442
Investment properties			14,205,078	13,967,371	13,397,624
Property, plant and equipment			1,276,602	1,488,921	1,524,236
Goodwill			91,005	91,005	91,005
Total non-current assets			20,276,383	20,219,655	19,701,217
Total assets			25,191,072	24,986,330	25,090,456
LIABILITIES AND EQUITY					
Current liabilities:					
Lease liabilities	6		2,313,767	2,405,522	2,620,303
Accounts payable and other credit balances			1,248,613	1,344,366	1,233,902
Due to a related party	5		655	655	655
Total current liabilities			3,563,035	3,750,543	3,854,860
Non-current liabilities:					
Lease liabilities	6		19,797	27,068	380,626
Provision for end of service indemnity			506,859	487,371	455,448
Total non-current liabilities			526,656	514,439	836,074
Total liabilities			4,089,691	4,264,982	4,690,934
Equity:					
Share capital			16,369,277	16,369,277	16,369,277
Statutory reserve			1,064,121	1,064,121	955,086
Treasury shares			(671)	(671)	(476,135)
Treasury shares reserve			84,388	84,388	84,388
Other components of equity			(3,594)	(3,594)	(3,594)
Effect of changes in other comprehensive income of associate			117,874	117,874	117,874
Foreign currencies translation reserve			(1,216,566)	(1,458,221)	(1,698,518)
Retained earnings			4,630,063	4,491,956	4,992,943
Equity attributable to Shareholders of the Parent					
Company			21,044,892	20,665,130	20,341,321
Non-controlling interests			56,489	56,218	58,201
Total equity			21,101,381	20,721,348	20,399,522
Total liabilities and equity			25,191,072	24,986,330	25,090,456

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

Abdullah Mohammed Al-Shatti
Chairman

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

		Three months ended March 31,	
	Note	2020	2019
Sales		165,913	174,524
Cost of sales		(152,201)	(151,326)
Gross profit		13,712	23,198
Revenues from transportation, leasing and maintenance operations		75,686	144,169
Cost of transportation, leasing and maintenance operations		(102,501)	(106,896)
Gross (loss) profit		(26,815)	37,273
Rental revenues		392,137	429,781
Rental costs		(54,381)	(59,971)
Gross profit		337,756	369,810
Total gross profit		324,653	430,281
General and administrative expenses		(179,889)	(183,967)
Provision for expected credit losses		(9,952)	-
Depreciation		(11,391)	(10,935)
Operating profit		123,421	235,379
Share of results from an associate		(6,112)	(65,112)
Gain on sale of property, plant and equipment		40,412	-
Bank deposits return income		12,081	11,973
Finance charges		(37,142)	(54,689)
Foreign currencies exchange differences		11,894	29,744
Other income		988	2,677
Profit for the period before contributions to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST) and Zakat		145,542	159,972
Contribution to KFAS		(1,307)	(1,432)
Contribution to NLST		(4,368)	(4,621)
Contribution to Zakat		(1,489)	(1,337)
Profit for the period		138,378	152,582
Attributable to:			
Shareholders of the Parent Company		138,107	151,678
Non-controlling interests		271	904
		138,378	152,582
Basic and diluted earnings per share attributable to Shareholders of the Parent Company (Fils)	7	0.84	0.97

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2020	2019
Profit for the period	138,378	152,582
Other comprehensive income:		
<u>Items that may be reclassified subsequently to consolidated statements of profit or loss:</u>		
Exchange differences on translating foreign operations	241,655	70,470
Other comprehensive income for the period	241,655	70,470
Total comprehensive income for the period	380,033	223,052
Attributable to:		
Shareholders of the Parent Company	379,762	222,148
Non-controlling interests	271	904
	380,033	223,052

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

Equity attributable to Shareholders of the Parent Company											
	Effect of changes										
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Other components of equity	comprehensive income of associate	Foreign currencies translation reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
Balance at December 31, 2019	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,458,221)	4,491,956	20,665,130	56,218	20,721,348
Profit for the period	-	-	-	-	-	-	-	138,107	138,107	271	138,378
Total other comprehensive income for the period	-	-	-	-	-	-	241,655	-	241,655	-	241,655
Total comprehensive income for the period	-	-	-	-	-	-	241,655	138,107	379,762	271	380,033
Balance at March 31, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,216,566)	4,630,063	21,044,892	56,489	21,101,381
Balance at December 31, 2018	16,369,277	955,086	(476,135)	84,388	(3,594)	117,874	(1,768,988)	4,841,265	20,119,173	57,297	20,176,470
Profit for the period	-	-	-	-	-	-	-	151,678	151,678	904	152,582
Total other comprehensive income for the period	-	-	-	-	-	-	70,470	-	70,470	-	70,470
Total comprehensive income for the period	-	-	-	-	-	-	70,470	151,678	222,148	904	223,052
Balance at March 31, 2019	16,369,277	955,086	(476,135)	84,388	(3,594)	117,874	(1,698,518)	4,992,943	20,341,321	58,201	20,399,522

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31,	
		2020	2019
Cash flows from operating activities:			
Profit for the period before contributions to KFAS, NLST and Zakat		145,542	159,972
Adjustments for:			
Depreciation		14,933	14,648
Provision for expected credit losses		9,952	-
Gain on sale of property, plant and equipment		(40,412)	-
Share of results from an associate		6,112	65,112
Bank deposits return income		(12,081)	(11,973)
Finance charges		37,142	54,689
Provision for end of service indemnity		22,854	27,801
		184,042	310,249
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		141,863	(81,053)
Net movement in related parties		5,165	7,657
Inventories		(11,728)	68,431
Accounts payable and other credit balances		(99,657)	(315,910)
Cash flows generated from (used in) operations		219,685	(10,626)
Payment for end of service indemnity		(3,366)	(2,042)
Payment of Zakat		-	(2,594)
Net cash flows generated from (used in) operating activities		216,319	(15,262)
Cash flows from investing activities:			
Paid for the purchase of property, plant and equipment		(1,115)	(850)
Proceeds from the sale of property, plant and equipment		238,913	-
Purchase of financial assets at fair value through profit or loss		(7,274)	-
Interest income received		12,081	7,984
Net cash flows generated from investing activities		242,605	7,134
Cash flows from financing activities:			
Repayment of lease liabilities		(124,415)	(103,954)
Dividends paid		(3,260)	(5,716)
Finance charges paid		(11,753)	(23,374)
Net cash flows used in financing activities		(139,428)	(133,044)
Net foreign exchange difference		(39,560)	90,360
Net increase (decrease) in cash and cash equivalents		279,936	(50,812)
Cash and cash equivalents at the beginning of the period		3,022,061	3,743,823
Cash and cash equivalents at the end of the period	4	3,301,997	3,693,011

The accompanying notes from (1) to (10) form an integral part of the interim condensed consolidated financial information.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

1. Incorporation and activities of Parent Company

Mubarrad Holding Company "the Parent Company" is a Kuwaiti public Shareholding Company registered in State of Kuwait and was incorporated pursuant to memorandum of Incorporation of a limited liability Company, authenticated at the Ministry of Justice - Real Estate Registration and Authentication Department – under No. 366/Volume 1 dated March 6, 1996 and its subsequent amendments, the latest of which was notarized in the Parent Company's commercial registration on December 4, 2017.

The main activities for which the Parent Company was incorporated are as follows:

- Managing the Parent Company's subsidiaries and participating in managing other companies in which it holds ownership stakes and providing necessary support thereto.
- Investing funds through trading in shares, bonds, and other financial securities.
- Acquisition of properties and movables necessary to carry out business activities as allowable by the Law.
- Financing and extending loans to investee companies and providing guarantees to third parties, provided that the ownership of the Parent Company is not less than 20% in the capital of the lending company.
- Acquisition of industrial rights and related intellectual properties, trademarks, industrial models, franchises and other rights, and renting such properties and rights to subsidiaries and other companies, inside State of Kuwait or abroad.

The Parent Company is registered in the commercial register under Ref. No. 64715 on October 10, 2004.

The registered address of the Parent Company's office is Old Khaitan, Block 29, Street 22, State of Kuwait.

The Parent Company is 39.152% owned by A'ayan Leasing and Investment Group K.S.C. (Public) ("The Ultimate Parent Company").

The interim condensed consolidated financial information was authorized for issue by the Board of Directors on August 13, 2020.

2. Basis of presentation

The interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019.

The interim condensed consolidated financial information does not include all the information and notes required for complete financial statements prepared in accordance with International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included in the accompanying interim condensed consolidated financial information. Operating results for the period ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending on December 31, 2020. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2019.

3. Critical judgments and estimates

Impact of the Novel Coronavirus (COVID-19)

The World Health Organization declared on March 11, 2020, the Novel Coronavirus (COVID-19) as a global pandemic. This event has caused widespread disruptions to business, with a consequential negative impact on economic activity.

The Group operates in economies that are relatively dependent on the crude oil prices. At the reporting date, oil prices have witnessed unprecedented volatility and decline. The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption, due to COVID-19 outbreak, on its operations and financial performance.

The Group has performed an assessment of COVID-19 implications on the financial results of the Group, in light of the available guidance of IFRS, and incorporated the outcome in these interim condensed consolidated financial statements and explained the changes below related to the critical judgement and estimates as at and for the period ended March 31, 2020.

Critical judgements and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial information, significant judgement is exercised by management in applying the Group's accounting policies. The key sources of estimation uncertainty are consistent with the annual audited consolidated financial statements of the Group as at and for the year ended December 31, 2019, with the exception of the impact of the COVID-19 outbreak on the Group which is detailed below:

i) Expected credit loss on financial assets measured at amortized cost

The Group has updated the inputs and assumptions used for the determination of expected credit losses ("ECLs") as at June 30, 2020. Revised ECLs were estimated based on a range of forecasted economic conditions at the reporting date and considering the fact that situation is fast evolving, the Group has also considered the impact of higher volatility in the forward-looking macro-economic factors, when determining the severity and likelihood of economic scenarios for ECL determination. Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact to the ECL for such factors. These are reviewed and monitored for appropriateness on a quarterly basis. Further information on the Group's policy on expected credit losses is disclosed in Note 2 (d) to the annual consolidated financial statements as at and for the year ended December 31, 2019.

ii) Fair value measurement of financial instruments

The Group has considered potential impacts of the current market volatility in determination of the reported amounts of the Group's unquoted financial assets, and this represents management's best assessment based on observable available information as at the reporting date. Given the impact of COVID-19, the Group is closely monitoring whether the fair values of the financial assets and liabilities represent the price that would be achieved for transactions between market participants in the current scenario. Further information on the Group's policy in relation to fair value measurements is disclosed in Notes 2 (d) to the annual consolidated financial statements as at and for the year ended December 31, 2019.

iii) Investment properties, property and equipment and investment in associate ("non-financial assets")

As at the reporting date, the Group has not identified any significant impact on the carrying values of its non-financial assets as at June 30, 2020 due to the uncertainty involved in determining the effect on projected cash flows generated from these non-financial assets or the market participants expectations of the price depending on the approach used in determining the fair value of those assets at December 31, 2019. The Group is aware that certain geographies and sectors in which these assets exist are negatively impacted, and as the situation continues to unfold, the Group consistently monitors the market outlook and uses relevant assumptions in reflecting the values of these nonfinancial assets appropriately in the interim condensed consolidated financial information.

iv) Lease modification

The Group, as a lessor, has assessed that the changes in lease payments that result from clauses in the original contract or in applicable law or regulation are part of the original terms and conditions of the lease, even if the effect of those clauses (arising from an event such as the COVID-19 pandemic) was not previously contemplated. In such a case there is no lease modification for the purposes of IFRS 16.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
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MARCH 31, 2020
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v) Commitments and contingent liabilities

The Group has assessed the impact of any operational disruptions, including any contractual challenges and changes in business or commercial relationships among the Group, customers and suppliers, with a view of potential increase in contingent liabilities and commitments and no issues were noted.

vi) Going concern

The Group has performed an assessment of whether it is a going concern in the light of current economic conditions and all available information about future risks and uncertainties. The projections have been prepared covering the Group's future performance, capital and liquidity. The impact of COVID-19 may continue to evolve, but at the present time the projections show that the Group has ample resources to continue in operational existence and its going concern position remains largely unaffected and unchanged from December 31, 2019. As a result, this condensed consolidated interim financial information has been appropriately prepared on a going concern basis.

4. Cash and cash equivalents

	March 31, 2020	December 31, 2019 (Audited)	March 31, 2019
Cash on hand and at banks	1,551,997	1,722,061	1,543,011
Short term bank deposits	1,750,000	1,300,000	2,150,000
	<u>3,301,997</u>	<u>3,022,061</u>	<u>3,693,011</u>

The effective rate of return on short term bank deposits is 3.25% to 3.5% per annum (December 31, 2019: 2.81% to 3.5%, March 31, 2019: 2.81% to 3.25%).

5. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, board of directors, key management personnel, associate entities under common control and other related parties. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

	Major shareholders	Other related party	March 31, 2020	December 31, 2019 (Audited)	March 31, 2019
Due from a related party	8,165	-	8,165	-	9,000
Investment property (real estate portfolio managed by a related party)	2,560,000	-	2,560,000	2,560,000	2,431,000
Financial assets at fair value through profit or loss	-	290,705	290,705	290,705	296,022
Due to a related party	655	-	655	655	655
				Three months ended March 31, 2020	Three months ended March 31, 2019
<u>Key management remuneration</u>					
Short term benefits				29,589	27,093
Termination benefits				3,451	2,556
				<u>33,040</u>	<u>29,649</u>

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

6. Lease liabilities

	March 31, 2020	December 31, 2019 (Audited)	March 31, 2019
Gross amount of lease liabilities	2,374,997	2,509,861	3,113,214
Less: Unamortized future finance charges	(41,433)	(77,271)	(112,285)
Present value of lease liabilities	2,333,564	2,432,590	3,000,929
Analyzed by:	March 31, 2020	December 31, 2019 (Audited)	March 31, 2019
Current portion	2,313,767	2,405,522	2,620,303
Non-current portion	19,797	27,068	380,626
	2,333,564	2,432,590	3,000,929

The Parent Company renewed a lease agreement containing a bargain purchase option with a local bank, to finance the purchase of a right of utilization of an industrial plot, located at third Shuwaikh Industrial Area, Block (D), Plot No. (165), for a single rental annual payment due on January 2, 2021, with a bargain purchase option upon the complete settlement of the contractual payments. The finance lease agreement is renewed annually until the full settlement of the finance lease liability.

The leased asset is registered under the name of the creditor bank until the settlement of all contractual payments.

On November 8, 2015, the Subsidiary Company - Takatof Real Estate Co. E.S.C. entered into a finance lease agreement with a foreign financial institution, to finance the purchase of a land and an administrative building constructed thereon, the land is located at New Cairo City – Block No. 211, Second Sector, Arab Republic of Egypt, for 21 quarterly lease payments, the latest is due on November 15, 2020 with a bargain purchase option after completing all contractual payments. The leased asset is registered under the name of foreign financial institution until the settlement of the contractual payments. The finance lease agreement carries annual interest rate at 7.277% plus LIBOR rate.

7. Basic and diluted earnings per share attributable to shareholders of the Parent Company

There are no potential dilutive ordinary shares. The information necessary to calculate basic earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	For the three months period ended March 31,	
	2020	2019
Profit for the period attributable to shareholders of the Parent Company	138,107	151,678
Number of outstanding shares	Shares 163,692,769	Shares 163,692,769
Less: Weighted average number of treasury shares	(10,996)	(7,804,455)
Weighted average number of outstanding shares	163,681,773	155,888,314
Basic and diluted earnings per share attributable to Shareholders of the Parent Company	Fils 0.84	Fils 0.97

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

8. Shareholders' Annual Ordinary General Assembly

The Shareholders' Annual Ordinary General Assembly held on June 24, 2020 approved the consolidated financial statements for the year ended December 31, 2019, cash dividends distribution of 5%, equivalent to 5 fils per share for a total amount of KD 818,409 and Board of Directors' remuneration of KD 30,000.

The Shareholders' Ordinary Annual General Assembly meeting held on April 8, 2019 approved the consolidated financial statements for the year ended December 31, 2018, distribution of 5% cash dividends (5 fils for each share held), for a total amount of KD 779,442 for the year ended December 31, 2018, 5% dividends in-kind through treasury shares and a Board of Directors' remuneration of KD 30,000.

9. Segment information

For management purposes, the following activities were classified as operating segments:

Operating activity	Description
Transportation, leasing and maintenance segment	Represents goods transport, lease and charter means of transportation and maintenance of other vehicles
Vehicles body manufacturing segment	Represents vehicles' body manufacturing, importing, marketing and exporting.
Investment segment	Represents investments available for sale and investment properties.

Information related to each reportable operating segments is set out below:

	Three months ended March 31, 2020			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenues	121,246	166,738	411,127	699,111
Total costs	(143,811)	(203,988)	(212,934)	(560,733)
(Loss) profit for the period	(22,565)	(37,250)	198,193	138,378

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	3,260,134	2,129,134	30,457,748	(10,655,944)	25,191,072
Segment liabilities	(390,108)	(466,766)	(6,237,351)	3,004,534	(4,089,691)

	For the year ended December 31, 2019				
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	3,214,893	2,213,872	30,063,046	(10,505,481)	24,986,330
Segment liabilities	(358,397)	(514,254)	(6,577,897)	3,185,566	(4,264,982)

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2020
(All amounts are in Kuwaiti Dinars)

	Three months ended March 31, 2019			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Total
Total revenues	150,498	174,881	467,489	792,868
Total costs	(136,799)	(201,600)	(301,887)	(640,286)
Profit (loss) for the period	13,699	(26,719)	165,602	152,582

	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment	Investment segment	Eliminations	Total
Segment assets	3,273,841	2,183,557	29,457,476	(9,824,418)	25,090,456
Segment liabilities	(318,180)	(460,283)	(7,037,855)	3,125,384	(4,690,934)

Information related to Geographical locations is set out below:

	For the three months period ended March 31, 2020				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Revenues	668,889	163,570	832,459	(133,348)	699,111
Segment assets	31,719,700	4,127,316	35,847,016	(10,655,944)	25,191,072
Segment Liabilities	(5,614,535)	(1,479,690)	(7,094,225)	3,004,534	(4,089,691)

	For the three months period ended March 31, 2019				
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Revenues	817,652	170,592	988,244	(195,376)	792,868
Segment assets	31,306,388	3,608,486	34,914,874	(9,824,418)	25,090,456
Segment Liabilities	(5,923,979)	(1,892,339)	(7,816,318)	3,125,384	(4,690,934)

10. Fair value measurement

The Group measures its financial assets at fair value through profit or loss at fair value and investment properties at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The following table presents the Group's financial assets at fair value through profit or loss and investment properties measured at fair value, by level of fair value hierarchy:

March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,746	464,193	429,224	895,163
Investment properties	-	10,245,078	3,960,000	14,205,078
	<u>1,746</u>	<u>10,709,271</u>	<u>4,389,224</u>	<u>15,100,241</u>
December 31, 2019 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,746	456,919	429,224	887,889
Investment properties	-	10,007,371	3,960,000	13,967,371
	<u>1,746</u>	<u>10,464,290</u>	<u>4,389,224</u>	<u>14,855,260</u>
March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3,741	469,185	428,984	901,910

Management of the Parent Company is of the view that no significant changes have occurred in fair values of the financial assets at fair value through profit or loss and investment properties during the three months period ended March 31, 2020. During the period ended March 31, 2020, there were no transfers between different levels of fair value measurement hierarchy.