

**MUBARRAD HOLDING COMPANY - K.S.C.P.
AND ITS SUBSIDIARIES
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE PERIOD ENDED JUNE 30, 2021
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

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AND ITS SUBSIDIARIES
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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 June 30, 2021, and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three months and six months periods then ended, changes in equity, and cash flows for the six 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 six months period ended June 30, 2021 that might have had a material effect on the Parent Company's financial position or result of its operations.

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We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law 7 of 2010 and its Executive Regulations, as amended, relating to the Capital Markets Authority and its related regulations during the period ended June 30, 2021 that might have had a material effect on the Parent Company's financial position or results of its operations.

State of Kuwait
August 11, 2021

A blue ink signature of Dr. Shuaib A. Shuaib, consisting of a stylized loop and a horizontal line.

Dr. Shuaib A. Shuaib
License No. 33-A
RSM Albazie & Co.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT JUNE 30, 2021
 (All amounts are in Kuwaiti Dinars)

<u>ASSETS</u>	Notes	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Current assets:				
Cash and cash equivalents	3	2,385,470	1,298,691	3,427,273
Term deposits	4	1,606,425	1,000,000	-
Accounts receivable and other debit balances		783,255	2,235,046	873,840
Due from a related party	5	10,201	-	3,389
Inventories		16,899	18,022	728,298
Total current assets		4,802,250	4,551,759	5,032,800
Non-current assets:				
Financial assets at fair value through profit or loss		894,459	894,459	895,163
Investment in associate	6	3,705,319	3,587,040	3,809,324
Investment properties		14,047,272	14,062,354	14,034,288
Property, plant and equipment		69,746	88,514	1,239,479
Goodwill		91,005	91,005	91,005
Total non-current assets		18,807,801	18,723,372	20,069,259
Total assets		23,610,051	23,275,131	25,102,059
<u>LIABILITIES AND EQUITY</u>				
Current liabilities:				
Lease liabilities	7	1,651,245	1,828,791	2,356,959
Accounts payable and other credit balances		1,022,112	1,168,752	2,181,996
Due to a related party	5	655	655	655
Total current liabilities		2,674,012	2,998,198	4,539,610
Non-current liabilities:				
Lease liabilities	7	-	-	5,236
Provision for end of service indemnity		320,691	327,490	514,295
Total non-current liabilities		320,691	327,490	519,531
Total liabilities		2,994,703	3,325,688	5,059,141
Equity:				
Share capital		16,369,277	16,369,277	16,369,277
Statutory reserve		1,064,855	1,064,855	1,064,121
Treasury shares		-	(671)	(671)
Treasury shares reserve		84,733	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		(1,446,117)	(1,411,873)	(1,377,860)
Retained earnings		4,376,561	3,677,433	3,733,495
Equity attributable to Shareholders of the Parent Company		20,563,589	19,897,689	19,987,030
Non-controlling interests		51,759	51,754	55,888
Total equity		20,615,348	19,949,443	20,042,918
Total liabilities and equity		23,610,051	23,275,131	25,102,059

The accompanying notes from (1) to (14) form an integral part of the interim condensed consolidated financial information.


 Saad Bandar Allafi
 Vice Chairman and CEO

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2021	2020 (*)	2021	2020 (*)
Continuing operations:					
Revenues from transportation, leasing and maintenance operations		9,978	27,181	24,485	102,867
Cost of transportation, leasing and maintenance operations		(22,253)	(45,031)	(46,994)	(147,532)
Gross loss		(12,275)	(17,850)	(22,509)	(44,665)
Rental revenues		437,104	204,178	871,117	596,315
Rental costs		(64,350)	(57,844)	(128,631)	(112,225)
Gross profit		372,754	146,334	742,486	484,090
Total gross profit		360,479	128,484	719,977	439,425
General and administrative expenses		(118,129)	(97,795)	(280,172)	(237,493)
Allowance for expected credit losses		-	-	-	(9,952)
Operating profit		242,350	30,689	439,805	191,980
Group's share of results from associate	6	19,243	11,219	167,345	5,107
Gain on sale of property, plant and equipment		8,600	11,818	11,250	52,230
Bank deposits return income		10,616	13,783	18,556	25,864
Finance charges		(16,415)	(33,320)	(32,564)	(70,257)
Foreign currencies exchange differences		(776)	(10,762)	1,171	1,132
Tax provision no longer required	10	62,258	-	62,258	-
Other income		859	750	61,267	913
Profit for the period from continuing operations before discontinued operations and contributions to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labor Support Tax (NLST), and Zakat		326,735	24,177	729,088	206,969
Discontinued operations:					
Loss for the period from discontinued operations	9	-	(104,338)	-	(141,588)
Profit (loss) for the period before contribution to KFAS, NLST, and Zakat		326,735	(80,161)	729,088	65,381
Contribution to KFAS		(3,089)	716	(6,710)	(591)
Contribution to NLST		(6,352)	674	(16,604)	(3,694)
Contribution to Zakat		(2,540)	11	(6,641)	(1,478)
Profit (loss) for the period		314,754	(78,760)	699,133	59,618
Attributable to:					
Shareholders of the Parent Company		314,745	(78,159)	699,128	59,948
Non-controlling interests		9	(601)	5	(330)
		314,754	(78,760)	699,133	59,618
Earnings (loss) per share attributable to shareholders of the Parent Company:					
		Fils	Fils	Fils	Fils
Basic earnings per share from continuing operations	8	1.92	0.16	4.27	1.23
Basic loss per share from discontinued operations	8	-	(0.64)	-	(0.86)
Basic earnings (loss) per share attributable to Shareholders of the Parent Company	8	1.92	(0.48)	4.27	0.37

(*) Certain figures for the comparative period ended June 30, 2020 have been reclassified to discontinued operations (Note 9).

The accompanying notes from (1) to (14) 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 JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	Three months ended June 30,		Six months ended June 30,	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for the period	<u>314,754</u>	<u>(78,760)</u>	<u>699,133</u>	<u>59,618</u>
Other comprehensive (loss) income:				
<u>Item that may be reclassified subsequently to the</u> <u>interim condensed consolidated statement of</u> <u>profit or loss:</u>				
Exchange differences on translating foreign operations	<u>(31,086)</u>	<u>(161,294)</u>	<u>(34,244)</u>	<u>80,361</u>
Other comprehensive (loss) income for the period	<u>(31,086)</u>	<u>(161,294)</u>	<u>(34,244)</u>	<u>80,361</u>
Total comprehensive income (loss) for the period	<u>283,668</u>	<u>(240,054)</u>	<u>664,889</u>	<u>139,979</u>
Attributable to:				
Shareholders of the Parent Company	<u>283,659</u>	<u>(239,453)</u>	<u>664,884</u>	<u>140,309</u>
Non-controlling interests	<u>9</u>	<u>(601)</u>	<u>5</u>	<u>(330)</u>
	<u>283,668</u>	<u>(240,054)</u>	<u>664,889</u>	<u>139,979</u>

The accompanying notes from (1) to (14) 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 JUNE 30, 2021

(All amounts are in Kuwaiti Dinars)

	Equity attributable to Shareholders of the Parent Company										
	Share capital	Statutory reserve	Treasury shares	Treasury shares reserve	Other components of equity	Effect of changes in other comprehensive income of associate	Foreign currencies translation reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
Balance at January 1, 2021	16,369,277	1,064,855	(671)	84,388	(3,594)	117,874	(1,411,873)	3,677,433	19,897,689	51,754	19,949,443
Profit for the period	-	-	-	-	-	-	-	699,128	699,128	5	699,133
Other comprehensive loss for the period	-	-	-	-	-	-	(34,244)	-	(34,244)	-	(34,244)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(34,244)	699,128	664,884	5	664,889
Sale of treasury shares	-	-	671	345	-	-	-	-	1,016	-	1,016
Balance at June 30, 2021	16,369,277	1,064,855	-	84,733	(3,594)	117,874	(1,446,117)	4,376,561	20,563,589	51,759	20,615,348
Balance at January 1, 2020	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 (loss) for the period	-	-	-	-	-	-	-	59,948	59,948	(330)	59,618
Other comprehensive income for the period	-	-	-	-	-	-	80,361	-	80,361	-	80,361
Total comprehensive income (loss) for the period	-	-	-	-	-	-	80,361	59,948	140,309	(330)	139,979
Cash dividends 5% (Note 11)	-	-	-	-	-	-	-	(818,409)	(818,409)	-	(818,409)
Balance at June 30, 2020	16,369,277	1,064,121	(671)	84,388	(3,594)	117,874	(1,377,860)	3,733,495	19,987,030	55,888	20,042,918

The accompanying notes from (1) to (14) 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 JUNE 30, 2021
(All amounts are in Kuwaiti Dinars)

	Notes	Six months ended	
		June 30,	
		2021	2020
Cash flows from operating activities:			
Profit for the period from continuing operations		729,088	206,969
Loss for the period from discontinued operations	9	-	(141,588)
Profit for the period before contributions to KFAS, NLST and Zakat		729,088	65,381
Adjustments for:			
Depreciation		-	29,864
Allowance for expected credit losses		-	55,125
Group's share of results from associate	6	(167,345)	(5,107)
Gain on sale of property, plant and equipment		(11,250)	(52,230)
Bank deposits return income		(18,556)	(25,864)
Finance charges		32,564	70,669
Tax provision no longer required	10	(62,258)	-
Provision for end of service indemnity		22,022	36,631
		524,265	174,469
Changes in operating assets and liabilities:			
Accounts receivable and other debit balances		1,451,791	210,332
Net movement in related parties		(11,432)	(7,143)
Inventories		1,123	(122,981)
Accounts payable and other credit balances		(104,056)	31,718
Cash flows generated from operations		1,861,691	286,395
Payment for end of service indemnity		(28,821)	(9,707)
Payment of Board of Directors' remuneration		-	(15,000)
Net cash flows generated from operating activities		1,832,870	261,688
Cash flows from investing activities:			
Net movement in term deposits		(606,425)	-
Paid for purchase of property, plant and equipment		-	(1,360)
Proceeds from the sale of property, plant and equipment		30,018	276,230
Paid for purchase of financial assets at fair value through profit or loss		-	(7,274)
Cash dividends received from associate	6	30,684	-
Bank deposits return income received		18,556	25,864
Net cash flows (used in) generated from investing activities		(527,167)	293,460
Cash flows from financing activities:			
Proceeds from the sale of treasury shares		1,016	-
Payment of lease liabilities		(177,546)	(132,373)
Cash dividends paid		(10,280)	(3,260)
Finance charges paid		(32,564)	(11,753)
Net cash flows used in financing activities		(219,374)	(147,386)
Foreign currencies translation adjustments		450	(2,550)
Net increase in cash and cash equivalents		1,086,779	405,212
Cash and cash equivalents at the beginning of the period		1,298,691	3,022,061
Cash and cash equivalents at the end of the period	3	2,385,470	3,427,273

The accompanying notes from (1) to (14) 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)
JUNE 30, 2021

(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 11, 2021.

2. Basis of presentation

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (“KD”) which is the functional and presentation currency of the Parent company.

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, 2020 except for the change in accounting policies due to adoption of new standards. The Group has not early adopted any standards, interpretations or amendments that has been issued but is not yet effective. Other amendments and interpretations apply for the first time in January 1, 2021, do not have a material impact on the interim condensed consolidated financial information of the Group.

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 June 30, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2020.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2021

(All amounts are in Kuwaiti Dinars)

3. Cash and cash equivalents

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Cash on hand and at banks	1,385,470	1,298,691	1,427,273
Short term bank deposits	1,000,000	-	2,000,000
	2,385,470	1,298,691	3,427,273

The effective rate of return on short term bank deposits is 1.2% per annum (June 30, 2020: from 3.25% to 3.5% per annum); these deposits have an average contractual maturity of 90 days (June 30, 2020: 90 days), and it's denominated in Kuwaiti Dinars.

4. Term deposits

The effective rate of return on term deposits denominated in Kuwaiti Dinar is 1.3% per annum and on term deposits denominated in the Egyptian Pound is 7.5% per annum (December 31, 2020: 1.3% per annum); these deposits have an average contractual maturity of six months (December 31, 2020: six months), and it's denominated in the following currencies:

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Kuwaiti Dinar	1,300,000	1,000,000	-
Egyptian Pound	306,425	-	-
	1,606,425	1,000,000	-

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	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Due from a related party	10,201	-	10,201	-	3,389
Investment property (real estate portfolio managed by a related party)	2,560,000	-	2,560,000	2,560,000	2,560,000
Financial assets at fair value through profit or loss	-	292,486	292,486	292,486	290,705
Due to a related party	(655)	-	(655)	(655)	(655)

Compensation to key management personnel

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Short term benefits	20,560	30,454	41,150	60,043
Termination benefits	2,561	3,454	5,150	6,905
	23,121	33,908	46,300	66,948

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2021

(All amounts are in Kuwaiti Dinars)

6. Investment in associate

Movement during the period / year is as follows:

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Balance at the beginning of the period / year	3,587,040	3,784,469	3,784,469
Group's share of results from associate	167,345	(155,793)	5,107
Cash dividends received	(30,684)	-	-
Foreign currency translation adjustments	(18,382)	(41,636)	19,748
Balance at the end of the period / year	3,705,319	3,587,040	3,809,324

7. Lease liabilities

	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Gross amount of lease liabilities	1,683,894	1,828,791	2,369,410
Less: Unamortized future finance charges	(32,649)	-	(7,215)
Present value of lease liabilities	1,651,245	1,828,791	2,362,195
<u>Analyzed by:</u>	June 30, 2021	December 31, 2020 (Audited)	June 30, 2020
Current portion	1,651,245	1,828,791	2,356,959
Non-current portion	-	-	5,236
	1,651,245	1,828,791	2,362,195

The Parent Company renewed a lease agreement which contains 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 annual rental payments due on December 31, 2021 with a bargain purchase option upon 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 lending bank until the settlement of all contractual payments.

MUBARRAD HOLDING COMPANY - K.S.C.P. AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2021

(All amounts are in Kuwaiti Dinars)

8. Basic earnings (loss) earnings per share attributable to shareholders of the Parent Company

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

	Three months period ended June 30,		Six months period ended June 30,	
	2021	2020	2021	2020
Profit for the period attributable to Shareholders of the Parent Company from continuing operations	314,745	26,179	699,128	201,536
Loss for the period attributable to Shareholders of the Parent Company from discontinued operations (Note 9)	-	(104,338)	-	(141,588)
Profit (loss) for the period attributable to Shareholders of the Parent Company	314,745	(78,159)	699,128	59,948
	Shares	Shares	Shares	Shares
Number of outstanding shares	163,692,769	163,692,769	163,692,769	163,692,769
Less: Weighted average number of treasury shares	(2,338)	(10,996)	(6,643)	(10,996)
Weighted average number of outstanding shares	163,690,431	163,681,773	163,686,126	163,681,773
	Fils	Fils	Fils	Fils
Basic earnings per share from continuing operations	1.92	0.16	4.27	1.23
Basic loss per share from discontinued operations	-	(0.64)	-	(0.86)
Basic earnings (loss) per share attributable to Shareholders of the Parent Company	1.92	(0.48)	4.27	0.37

9. Discontinued operations

During the year ended December 31, 2020, the Parent Company sold its subsidiary – Batic Manufacturing Company – W.L.L. which was fully owned by the Parent Company. Accordingly, the results of the subsidiary for the three months and six months periods ended June 30, 2020 amounted to KD 104,338 and KD 141,588 respectively have been reclassified as discontinued operations in the interim condensed consolidated statement of profit or loss.

10. Tax provision no longer required

During the period ended June 30, 2021, the Group's Management reversed tax provision of KD 62,258 (equivalent to EGP 3,020,223) recognized in the year ended December 31, 2020 against operating results of a subsidiary in Arab Republic of Egypt. The tax provision has been reversed in the interim condensed consolidated statement of profit or loss for the current period, as upon preparation of the subsidiary's tax return, the Group's management has identified no taxable profit on which tax could be calculated for the year ended December 31, 2020.

11. Shareholders' Annual Ordinary General Assembly

The Shareholders' Annual Ordinary General Assembly held on March 22, 2021 approved the consolidated financial statements for the year ended December 31, 2020, and approved the Board of Directors' recommendation not to distribute cash dividends, bonus shares, or remuneration to the Board of Directors for the year ended December 31, 2020.

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

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12. 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
Investment segment	Represents investments available for sale and investment properties.

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

	Six months period ended June 30, 2021			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Total
Total revenues	44,505	-	1,172,944	1,217,449
Total costs	(102,838)	-	(415,478)	(518,316)
(Loss) profit for the period	(58,333)	-	757,466	699,133

	Six months period ended June 30, 2020			
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Total
Total revenues	167,837	252,005	611,484	1,031,326
Total costs	(216,245)	(393,593)	(361,870)	(971,708)
(Loss) profit for the period	(48,408)	(141,588)	249,614	59,618

	June 30, 2021			
	Transportation, leasing and maintenance segment	Investment segment	Eliminations	Total
Total segments assets	2,939,810	29,891,694	(9,221,453)	23,610,051
Total segments liabilities	(306,294)	(5,658,271)	2,969,862	(2,994,703)

	December 31, 2020 (Audited)			
	Transportation, leasing and maintenance segment	Investment segment	Eliminations	Total
Total segments assets	2,957,417	29,088,904	(8,771,190)	23,275,131
Total segments liabilities	(324,173)	(5,933,749)	2,932,234	(3,325,688)

	June 30, 2020				
	Transportation, leasing and maintenance segment	Vehicles body manufacturing segment (*)	Investment segment	Eliminations	Total
Total segments assets	3,252,472	2,113,455	30,251,285	(10,515,153)	25,102,059
Total segments liabilities	(412,491)	(555,425)	(7,113,675)	3,022,450	(5,059,141)

(*) Related to the disposed subsidiary – Batic Manufacturing Company – W.L.L. as disclosed in Note (9) to the accompanying interim condensed consolidated financial information and Note (7) to the annual consolidated financial statements of the Group for the year ended December 31, 2020.

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Information related to geographical locations is set out below:

Six months period ended June 30, 2021					
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Total revenues	1,274,897	368,460	1,643,357	(425,908)	1,217,449
Total segment assets	28,571,407	4,260,097	32,831,504	(9,221,453)	23,610,051
Total segment liabilities	(4,830,390)	(1,134,175)	(5,964,565)	2,969,862	(2,994,703)

Six months period ended June 30, 2020					
	Kuwait & GCC Countries	Africa	Total segments	Adjustments and Eliminations	Consolidated Segments
Total revenues	850,926	296,329	1,147,255	(115,929)	1,031,326
Total segment assets	31,529,082	4,088,130	35,617,212	(10,515,153)	25,102,059
Total segment liabilities	(6,619,514)	(1,462,077)	(8,081,591)	3,022,450	(5,059,141)

13. Fair value measurement

The Group measures its financial assets at fair value through profit or loss and investment properties at fair value 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.

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:

June 30, 2021				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,247	465,968	427,244	894,459
Investment properties	-	3,837,272	10,210,000	14,047,272
	1,247	4,303,240	10,637,244	14,941,731

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	December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	1,247	465,968	427,244	894,459
Investment properties	-	3,852,354	10,210,000	14,062,354
	<u>1,247</u>	<u>4,318,322</u>	<u>10,637,244</u>	<u>14,956,813</u>
	June 30, 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	-	10,074,288	3,960,000	14,034,288
	<u>1,746</u>	<u>10,538,481</u>	<u>4,389,224</u>	<u>14,929,451</u>

Management of the Group believe 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 six months period ended June 30, 2021.

14. Risk management and COVID -19

A year since the advent of the COVID - 19 pandemic, various economies and sectors continue to face disruptions and uncertainty as a result of the pandemic and corresponding measures taken by the governments to contain the spread of the virus.

The Parent Company continues to be impacted due to the outbreak and Management continues its efforts to mitigate the associated risk. The management of credit and liquidity risks along with the application of significant estimates and judgements are described in the annual audited consolidated financial statements for the year ended December 31, 2020 and no material changes have taken place in the risk management process.