

Interim condensed consolidated financial information and review report

Noor Financial Investment Company – KPSC and Subsidiaries

Kuwait

30 June 2020 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Noor Financial Investment Company – KPSC
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Noor Financial Investment Company KPSC (the “Parent Company”) and its subsidiaries (together “the Group”) as of 30 June 2020 and the related interim condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violation of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Parent Company’s Memorandum of Incorporation and Articles of Association, as amended, have occurred during the six-month period ended 30 June 2020 that might have had a material effect on the business or financial position of the Parent Company.

We further report that, during the course of our review, we have not become aware of any material violations of the provisions of Law No.32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, or of the provision of law no 7 of 2010 concerning the Capital Market Authority and its related regulations during the six-months period ended 30 June 2020 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
13 August 2020

Interim condensed consolidated statement of profit or loss

	Note	Three months ended		Six months ended	
		30 June 2020 (Unaudited) KD	30 June 2019 (Unaudited) KD	30 June 2020 (Unaudited) KD	30 June 2019 (Unaudited) KD
Continuing operations					
Revenue from hotel operations and IT Services		2,801,322	3,414,814	6,934,063	6,683,651
Realised (loss)/gain on investments at fair value through profit or loss		(57,308)	246,512	(38,265)	1,705,545
Unrealised gain/(loss) on investments at fair value through profit or loss		751,262	278,794	(876,885)	1,263,808
Dividend income		424,391	988,150	505,927	1,097,432
Change in the fair value of investment properties		(881,788)	-	(881,788)	-
Share of results of associates	10	4,724,542	2,725,275	7,556,911	4,909,981
Rental Income		52,332	153,848	268,283	272,136
Realized (loss)/gain on disposal/partial disposal of associates		-	(108,711)	-	1,488,088
Management and placement fees		4,879	4,814	10,152	9,495
Total income		7,819,632	7,703,496	13,478,398	17,430,136
Cost of sales and services from hotel operations and IT services		(2,551,124)	(2,739,394)	(5,845,352)	(5,346,377)
General, administrative and other expenses		(1,135,406)	(1,882,536)	(2,118,701)	(3,260,979)
Operating profit		4,133,102	3,081,566	5,514,345	8,822,780
Interest and other income	21	220,457	7,180	431,315	859,210
Foreign exchange gain/(loss)		37,304	(1,120,498)	77,173	(1,120,338)
Finance costs		(272,972)	(505,988)	(584,970)	(1,056,756)
Impairment in value of intangible asset		-	-	-	(945,000)
Impairment in value of accounts receivables		(259,911)	-	(442,461)	-
Profit for the period from continuing operations		3,857,980	1,462,260	4,995,402	6,559,896
Discontinued operations					
Loss for the period from discontinued operations		-	-	-	(1,456,681)
Profit before taxes		3,857,980	1,462,260	4,995,402	5,103,215
Provision for KFAS contribution		-	-	-	(20,353)
Provision for Zakat		(37,500)	(8,240)	(49,826)	(38,214)
Provision for National Labour Support Tax		-	-	-	(20,609)
Profit for the period		3,820,480	1,454,020	4,945,576	5,024,039
Attributable to:					
Owners of the Parent Company		3,895,931	1,292,385	4,990,366	4,136,658
Non-controlling interests		(75,451)	161,635	(44,790)	887,381
		3,820,480	1,454,020	4,945,576	5,024,039
Basic and diluted earnings/(loss) per share attributable to the owners of the Parent Company (Fils)	5				
- From continuing operations		9.86	3.23	12.63	13.98
- From discontinued operations		-	-	-	(3.64)
		9.86	3.23	12.63	10.34

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended		Six months ended	
	30 June 2020 (Unaudited) KD	30 June 2019 (Unaudited) KD	30 June 2020 (Unaudited) KD	30 June 2019 (Unaudited) KD
Profit for the period	3,820,480	1,454,020	4,945,576	5,024,039
Other comprehensive income:				
Items to be reclassified to profit or loss in subsequent periods:				
Exchange differences arising from translation of foreign operations	(632,973)	(5,495,622)	(2,688,008)	(5,623,018)
Transfer to consolidated statements of profit or loss on partial disposal of associate	-	(33,754)	-	1,542,639
Share of other comprehensive (loss)/income of associates	(1,873,435)	(29,839)	(3,289,668)	25,331
	(2,506,408)	(5,559,215)	(5,977,676)	(4,055,048)
Items not to be reclassified to profit or loss in subsequent periods:				
Net changes in fair value of investments in equity instruments designated at FVOCI	314,959	(423,566)	(3,250,021)	627,337
Total other comprehensive loss for the period	(2,191,449)	(5,982,781)	(9,227,697)	(3,427,711)
Total comprehensive income/(loss) for the period	1,629,031	(4,528,761)	(4,282,121)	1,596,328
Total comprehensive income/(loss) attributable to:				
Owners of the Parent Company	1,716,189	(4,776,784)	(4,139,579)	573,040
Non-controlling interests	(87,158)	248,023	(142,542)	1,023,288
	1,629,031	(4,528,761)	(4,282,121)	1,596,328

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Assets				
Cash and bank balances	6	3,904,927	2,580,478	5,613,048
Short-term deposits	6	3,338,443	5,628,943	1,109,286
Wakala investments		1,000,000	1,000,000	1,000,000
Investments at fair value through profit or loss	7	7,821,340	11,704,245	11,617,430
Accounts receivable and other assets	8	6,981,337	4,445,898	12,305,459
Inventories		586,393	527,240	576,940
Investments at fair value through other comprehensive income	9	12,980,528	16,168,068	16,697,387
Investment in associates	10	46,768,021	46,722,338	38,265,114
Investment properties	11	12,979,906	13,895,210	14,341,993
Property and equipment		1,838,737	1,960,898	2,689,872
Right of use assets		1,365,688	1,432,738	1,341,602
Goodwill and other Intangible asset		2,029,278	2,164,019	2,305,898
Total assets		101,594,598	108,230,075	107,864,029
Liabilities and equity				
Liabilities				
Due to banks	6	704,053	408,598	453,887
Accounts payable and other liabilities		8,545,295	8,157,560	9,127,547
Borrowings	12	26,526,816	27,352,021	36,721,630
Provision for end of service indemnity		1,218,204	1,058,101	943,440
Total liabilities		36,994,368	36,976,280	47,246,504
Equity				
Share capital	13	41,316,276	41,316,276	41,316,276
Share premium		3,410,573	3,410,573	3,410,573
Treasury shares	14	(4,138,316)	(4,138,316)	(3,535,116)
Legal reserve		5,466,869	5,466,869	4,634,411
Voluntary reserve		5,466,869	5,466,869	4,634,411
Cumulative changes in fair value		(5,025,784)	1,416,153	(4,476,074)
Foreign currency translation reserve		(25,778,075)	(23,090,067)	(24,989,554)
Retained earnings		37,390,246	34,769,670	32,553,740
Equity attributable to the owners of the Parent Company		58,108,658	64,618,027	53,548,667
Non-controlling interests		6,491,572	6,635,768	7,068,858
Total equity		64,600,230	71,253,795	60,617,525
Total liabilities and equity		101,594,598	108,230,075	107,864,029

Fahad Sulaiman Al-Khaled
Chairman

Abdulghani M.S. Behbehani
Vice Chairman

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Equity attributable to owners of the Parent Company										Total equity KD
	Share capital KD	Share premium KD	Treasury shares KD	Legal reserve KD	Voluntary reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-Total KD	Non-controlling interests KD	
Balance as at 1 January 2020	41,316,276	3,410,573	(4,138,316)	5,466,869	5,466,869	1,416,153	(23,090,067)	34,769,670	64,618,027	6,635,768	71,253,795
Redemption of share capital by Non controlling interest	-	-	-	-	-	-	-	-	-	(1,654)	(1,654)
Dividend paid during the period (Note 20)	-	-	-	-	-	-	-	(2,369,790)	(2,369,790)	-	(2,369,790)
Transactions with owners	-	-	-	-	-	-	-	(2,369,790)	(2,369,790)	(1,654)	(2,371,444)
Profit/(loss) for the period	-	-	-	-	-	-	-	4,990,366	4,990,366	(44,790)	4,945,576
Total other comprehensive loss for the period	-	-	-	-	-	(6,441,937)	(2,688,008)	-	(9,129,945)	(97,752)	(9,227,697)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(6,441,937)	(2,688,008)	4,990,366	(4,139,579)	(142,542)	(4,282,121)
Balance as at 30 June 2020	41,316,276	3,410,573	(4,138,316)	5,466,869	5,466,869	(5,025,784)	(25,778,075)	37,390,246	58,108,658	6,491,572	64,600,230

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (continued)

	Equity attributable to owners of the Parent Company										Total equity KD
	Share capital KD	Share premium KD	Treasury shares KD	Legal reserve KD	Voluntary reserve KD	Cumulative changes in fair value KD	Foreign currency translation reserve KD	Retained earnings KD	Sub-Total KD	Non-controlling interests KD	
Balance as at 1 January 2019	41,316,276	3,410,573	(3,535,116)	4,634,411	4,634,411	(4,992,835)	(20,909,175)	30,417,331	54,975,876	14,620,163	69,596,039
Decrease in non-controlling interest due to disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Redemption of Share capital by Non controlling interest	-	-	-	-	-	-	-	-	-	(8,524,825)	(8,524,825)
Dividend paid to non-controlling interests by a subsidiary	-	-	-	-	-	-	-	-	-	(4,132)	(4,132)
Dividend paid during the period (note 20)	-	-	-	-	-	-	-	(2,000,249)	(2,000,249)	-	(2,000,249)
Transactions with owners	-	-	-	-	-	-	-	(2,000,249)	(2,000,249)	(8,574,593)	(10,574,842)
Profit for the period	-	-	-	-	-	-	-	4,136,658	4,136,658	887,381	5,024,039
Total other comprehensive income/(loss) for the period	-	-	-	-	-	516,761	(4,080,379)	-	(3,563,618)	135,907	(3,427,711)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	4,136,658	573,040	1,023,288	1,596,328
Balance as at 30 June 2019	41,316,276	3,410,573	(3,535,116)	4,634,411	4,634,411	(4,476,074)	(24,989,554)	32,553,740	53,548,667	7,068,858	60,617,525

The notes set out on pages 8 to 21 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2020 (Unaudited) KD	Six months ended 30 June 2019 (Unaudited) KD
OPERATING ACTIVITIES			
Profit before taxes		4,995,402	5,103,215
Adjustments:			
Dividend income		(505,927)	(1,097,432)
Share of results of associates		(7,556,911)	(4,909,981)
Interest income and income from murabaha and wakala investments		(38,873)	(27,140)
Change in the fair value of investment properties		881,788	-
Realised gain on disposal/partial disposal of investments in associates		-	(1,488,088)
Depreciation and amortization		375,884	400,541
Net loss recognised on sale of a subsidiary		-	1,456,681
Provision for end of service indemnity		161,505	76,054
Finance costs		584,970	1,056,756
Impairment in value of accounts receivable		442,461	-
Impairments in value of intangible assets		-	945,000
		(659,701)	1,515,606
Changes in operating assets and liabilities:			
Investments at fair value through profit or loss		3,882,905	94,498
Accounts receivable and other assets		(2,977,902)	1,430,842
Accounts payable and other liabilities		72,580	(1,712,369)
Inventories		(59,153)	(66,975)
Cash from operation		258,729	1,261,602
Payment of end of service indemnity		(1,402)	(25,575)
KFAS, Zakat and NLST paid		-	(92,765)
Net cash from operating activities		257,327	1,143,262
INVESTING ACTIVITIES			
Proceeds from redemption / sale of FVOCI investments		-	72,587
Purchase of FVOCI investments		-	(427,205)
Net cash flows from sale of subsidiary		-	550,046
Net acquisition of property, plant and equipment		(51,932)	(48,168)
Dividend received from associate		1,521,937	-
Dividend received from other investments		505,927	1,097,432
Proceeds from disposal/partial disposal of investment in associates		-	1,048,662
Interest income & income from murabaha and wakala investments received		38,873	27,140
Net cash from investing activities		2,014,805	2,320,494
FINANCING ACTIVITIES			
Repayments of borrowings (net)		(825,205)	(3,667,372)
Redemption of units by non-controlling interests		(1,655)	(4,133)
Payment to subsidiaries shareholders on capital reduction		(11,680)	(101,354)
Dividend paid to non-controlling interests by a subsidiary		-	(10,542)
Dividend paid		(2,109,161)	(1,767,524)
Finance costs paid		(585,937)	(1,068,369)
Net cash used in financing activities		(3,533,638)	(6,619,294)
Net decrease in cash and cash equivalents		(1,261,506)	(3,155,538)
Cash and cash equivalents at beginning of the period		6,544,833	9,417,995
Cash and cash equivalents at end of the period	6	5,283,327	6,262,457

The notes set out on pages 8 to 21 form an integral part of this interim consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

Noor Financial Investment Company - KPSC ("the Parent Company") was incorporated in Kuwait on 1 February 1997 and during May 2006 its shares were listed on the Kuwait Stock Exchange (Boursa Kuwait). The Parent Company and its subsidiaries are together referred to as "the Group". The Parent Company is regulated by the Central Bank of Kuwait and also by the Capital Market Authority (CMA), as an investment Company and is a subsidiary of National Industries Group Holding - KPSC ("the Ultimate Parent Company").

The principal objectives of the Parent Company are as follows:

- Invest in various economic sectors through the establishment of specialized companies or purchase of shares or stakes in those companies;
- Perform the functions of investment trustees and manage all kinds of investment portfolios for third parties;
- Facilitate in lending and borrowing transactions for commission or remuneration;
- Fund and facilitate in international trade operations;
- Conduct research, studies and other technical services related to investment operations and manage funds for third parties;
- Create and manage various investment funds according to the law;
- Perform the functions of lead manager for the bonds issued by companies and bodies;
- Prepare studies and provide financial advice related to investment for privatization projects.
- Carry out all the services and activities that help developing the financial and monetary market in the State of Kuwait;
- Trade, by selling and buying, in shares, bonds, Sukuks and other securities listed in Boursa Kuwait and foreign stock exchanges or unlisted for the Company's account or the account of its clients for commission or remuneration;
- Invest in real estate, industrial and agricultural sectors of the economy in all types of investment;
- Facilitate in selling or buying financial assets and other assets for commission or remuneration;
- Provide funding operations to third parties to buy or lease fixed assets and movables through contracts.
- Provide technical services for the incorporation of companies and restructure, merger or disposal of the existing companies;
- Prepare studies and research and provide the necessary consultation in all matters relating to the objectives of the Company;
- Acquire industrial property rights, patents, trade and industrial marks, literary and intellectual property right;
- Represent foreign companies the objectives of which are identical with the objectives of the Company in order to market their products and services in accordance with the relevant Kuwaiti legislation;
- To act as an investment controller.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities (continued)

The Parent Company has the right to perform the above mentioned activities inside and outside the State of Kuwait directly or through an agent. The Parent Company may have an interest or participate in any aspect with the entities performing similar works or which might assist it in the achievement of its objectives in Kuwait or abroad. The Parent Company may also purchase these entities or affiliate them therewith. Further, the Parent Company may practice works similar or complementary or necessary or related to its above mentioned objectives and may utilize its surplus funds by investing same in portfolios and funds managed by specialized companies and bodies.

The address of the Parent Company's registered office is NIG Building, Ground Floor, Shuwaikh, Kuwait (PO Box 3311, Safat 13034, State of Kuwait).

The Board of Directors of the Parent Company approved this interim condensed consolidated financial information for issue on 13 August 2020.

The annual consolidated financial statements for the year ended 31 December 2019 were authorised for issuance by the Board of Directors on 5 March 2020 and approved by the shareholders at the Annual General Meeting held on 29 April 2020.

2 Basis of preparation

This interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2020 has been prepared in accordance with IAS 34, Interim Financial Reporting except as noted below.

The annual consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") in the State of Kuwait. These regulations require expected credit loss ("ECL") to be measured at the higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guidelines or the provisions as required by CBK instruction; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") (collectively referred to as IFRS, as adopted for use by the State of Kuwait). However, the Group does not have any credit facilities.

The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2019 except for the changes described in note 3.

The interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-months period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020. For further details, refer to the consolidated financial statements and its related disclosures for the year ended 31 December 2019.

The subsidiaries are consolidated and are recorded based on the management accounts for the period ended 30 June 2020.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies

3.1 New and amended standards adopted by the Group

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2020 which have been adopted by the Group. Information on these new standards is presented below:

<i>Standard or Interpretation</i>	<i>Effective for annual periods beginning</i>
IFRS 3 - Amendments	1 January 2020
IAS 1 and IAS 8 - Amendments	1 January 2020

IFRS 3 – Amendments

The Amendments to IFRS 3 Business Combinations are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only with respect to Definition of Business. The amendments:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business

The application of the amendments did not have a significant impact on the Group's interim consolidated financial information.

IAS 1 and IAS 8 – Amendments

The amendments to IAS 1 and IAS 8 clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The application of the amendments did not have a significant impact on the Group's interim consolidated financial information.

Several other amendments and interpretations apply for the first time in 2020, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the interim condensed consolidated financial information (continued)

4 Judgement 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 the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2019, with the exception of the impact of Covid-19 outbreak which is described below;

Effect 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 stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak remains unclear at this time. Management of the Group is actively monitoring the effects COVID-19 may have on its business operations. The Group's management has assessed whether there is any significant decline in the fair value of the Group's investment properties as of 30 June 2020 and have concluded that certain properties located in Kuwait and UAE have declined in value resulting in a net loss on change in fair value by KD 881,788 and this has been recorded in this interim condensed consolidated financial information. The Group's Management has also reassessed the inputs and assumptions used for the determination of fair value of financial assets at FVTOCI and FVTPL and has determined the fair value of its significant investments based on most recent market information available to Management relating to the respective investments and recognized the resulting unrealized loss in this interim condensed consolidated financial information.

The Group has also considered the potential impact of the current market volatility on reported amounts of the other financial and non-financial assets (including associates) and believe that they represent Managements best assessment based on current observable information.

The Group's Management has also assessed the Group's liquidity position and believes it has adequate resources to meet its current liabilities. As the situation is fluid and rapidly evolving, asset carrying values remains sensitive to market fluctuations and further it is not yet clear to what extent COVID-19 will affect the Group's estimates in the remainder of 2020 and the future fair value/recoverable value of investments and non-financial assets and thus Management is continuously monitoring their liquidity position as events unfold.

Notes to the interim condensed consolidated financial information (continued)

5 Basic & diluted earnings/(loss) per share attributable to the owners of the Parent Company

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period as follows:

	Three months ended		Six months ended	
	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)
Profit/(loss) for the period attributable to the owners of the Parent Company (KD)				
- From continuing operations	3,895,931	1,292,385	4,990,366	5,593,339
- From discontinued operations	-	-	-	(1,456,681)
Total	3,895,931	1,292,385	4,990,366	4,136,658
Weighted average number of shares outstanding during the period (excluding treasury share)	394,964,896	400,049,857	394,964,896	400,049,857
Basic and diluted earnings/(loss) per share (Fils)				
- From continuing operations	9.86	3.23	12.63	13.98
- From discontinued operations	-	-	-	(3.64)
Total	9.86	3.23	12.63	10.34

6 Cash and cash equivalents

Cash and cash equivalents for the purpose of the interim condensed consolidated statement of cash flows are made up as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Cash and bank balances	3,904,927	2,580,478	5,613,048
Short-term deposits	3,338,443	5,628,943	1,109,286
	7,243,370	8,209,421	6,722,334
Less: Due to banks	(704,053)	(408,598)	(453,887)
Less: Blocked balances	(5,990)	(5,990)	(5,990)
Less: Short-term deposits maturing after three months	(1,250,000)	(1,250,000)	-
Cash and cash equivalents as per statement of cash flows	5,283,327	6,544,833	6,262,457

Notes to the interim condensed consolidated financial information (continued)

6 Cash and cash equivalents (continued)

Cash and bank balances include call accounts which earn interests.

Due to banks represent bank overdraft facilities utilised by subsidiary and are secured by short term deposit of KD622,843 (31 December 2019: KD622,843 and 30 June 2019: KD609,286).

Cash and cash equivalents include bank balances of KD1,433,229 (31 December 2019: KD1,176,284 and 30 June 2019: KD1,380,889) which are designated for the purpose of payment of dividends for the Parent Company shareholders, payment on account of capital reduction and dividend payments to non-controlling interest of two subsidiaries.

7 Investments at fair value through profit or loss

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Quoted shares - Local	4,368,601	6,875,479	6,782,914
Quoted shares - Foreign	3,286,363	4,241,209	4,221,595
Unquoted foreign funds and shares	166,376	587,557	612,921
	7,821,340	11,704,245	11,617,430

Quoted shares with a fair value of KD1,889,576 (31 December 2019: KD3,899,087 and 30 June 2019: KD4,105,033) are secured against bank borrowings (refer note 12).

8 Accounts receivable and other assets

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Financial assets:			
Accounts receivable (net of impairment provision)	3,515,153	2,826,251	2,737,064
Due from the Ultimate Parent Company	2,679	2,457	2,442
Due from other related parties	73,664	116,844	162,430
Dividend receivable from an associate	-	-	2,067,913
Due from investment brokerage companies	2,225,996	469,720	562,941
Amount due from partial disposal of an associate	-	-	5,483,027
Accrued income	671,404	510,118	549,801
Other financial assets	282,578	364,752	270,910
	6,771,474	4,290,142	11,836,528
Non-financial assets			
Other assets	209,863	155,756	468,931
	6,981,337	4,445,898	12,305,459

Notes to the interim condensed consolidated financial information (continued)

9 Investments at fair value through other comprehensive income

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Quoted shares	6,545,895	9,081,667	8,949,782
- Local	6,275,323	8,799,564	8,661,707
- Foreign	270,572	282,103	288,075
Unquoted shares	5,807,936	6,465,046	7,294,100
- Local	1,286,213	1,286,213	1,247,902
- Foreign	4,521,723	5,178,833	6,046,198
Foreign funds	626,697	621,355	453,505
	12,980,528	16,168,068	16,697,387

Quoted shares with a fair value of KD6,190,984 (31 December 2019: KD8,697,761 and 30 June 2019: KD8,542,655) and unquoted shares with a fair value of KD96,124 (31 December 2019: KD96,124 and 30 June 2019: KD 96,124) are secured against bank borrowings (refer note 12).

10 Investment in associates

The movement of Investment in associates are as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Balance at 1 January	46,722,338	44,053,153	44,053,153
Additions during the period due to de-recognition of subsidiary	-	3,881,975	3,881,975
De-recognition due to disposal of subsidiary	-	(2,396,970)	(2,396,970)
Share of results during the period / year	7,556,911	10,769,182	4,909,981
Share of other comprehensive (loss)/income of associates	(3,289,668)	6,290,837	25,331
Disposal/partial disposal of associates	-	(8,139,172)	(4,186,549)
Transfer to financial assets at fair value through other comprehensive income	-	(24,529)	-
Dividend from associate	(1,521,937)	(3,883,480)	(2,368,607)
Foreign currency translation adjustment	(2,699,623)	(3,779,049)	(5,653,200)
Other adjustment	-	(49,609)	-
	46,768,021	46,722,338	38,265,114

11 Investment properties

The movement of investment properties is as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Fair value as at beginning of the period/year	13,895,210	31,738,975	31,738,975
De-recognition due to disposal of subsidiary	-	(17,396,279)	(17,396,279)
Additions during the period	-	667,000	-
Changes in fair value	(881,788)	(1,150,306)	-
Foreign currency translation	(33,516)	35,820	(703)
	12,979,906	13,895,210	14,341,993

Notes to the interim condensed consolidated financial information (continued)

11 Investment properties (continued)

Investment properties comprise land, buildings and property under developments in the following countries:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Kuwait	10,516,000	10,622,000	10,104,000
Outside Kuwait	2,463,906	3,273,210	4,237,993
	12,979,906	13,895,210	14,341,993

The fair value of investment properties at 31 December 2019 were determined based on valuations obtained from independent real estate valuers.

As of 30 June 2020, due to the current market volatility arising from COVID-19, the Group reassessed the fair value of its properties based on independent valuations for local and certain foreign properties with a carrying value of KD 11,689,369 and based on internal assessment of the management for certain foreign properties with a carrying value of KD 1,290,537. The assessments resulted in a valuation loss of KD 881,788 being recorded in the interim condensed consolidated financial information.

Investments properties amounting to KD8,481,000 (31 December 2019: KD8,409,000 and 30 June 2019: KD8,500,000) and KD1,397,000 (31 December 2019: KD1,546,000 and 30 June 2019: KD1,604,000) are secured against bank loans, Ijara and Murabaha Financing facilities respectively (refer note 12).

12 Borrowings from banks and financial institutions

			30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Short-term					
Tawaruq payables	Note 12.1	Secured	407,288	162,146	321,755
			407,288	162,146	321,755
Long-term					
Loans payable – Kuwaiti Dinar	Note 12.2	Secured	21,459,375	21,459,375	22,569,375
Loan from Ultimate Parent Company	Note 12.3	Secured	4,000,000	5,000,000	13,000,000
Ijara financing - Kuwaiti Dinar	Note 12.4	Secured	660,153	730,500	830,500
			26,119,528	27,189,875	36,399,875
Total			26,526,816	27,352,021	36,721,630

- 12.1 Short term Tawaruq payable were carried at effective profit rate of 3.9% p.a. (31 December 2019: 5.58% - 6% p.a and 30 June 2019: 6% p.a).
- 12.2 These loans are fully secured by investments at fair value through profit or loss (note 7), investments at fair value through other comprehensive income (note 9), investment properties (note 11) and against shares of two unlisted subsidiaries of the Parent Company. Long term loan payable carry effective interest rate of 3.32% p.a.(31 December 2019: 4.57% and 30 June 2019: 4.83% p.a).

Notes to the interim condensed consolidated financial information (continued)

12 Borrowings from banks and financial institutions (continued)

- 12.3 During the period, the Parent company has prepaid KD1,000,000 against this loan. The remaining loan from the Ultimate Parent Company is due in December 2020. Loans from Ultimate Parent Company carry effective interest rate of 3.5% p.a (31 December 2019: 4.75% and 30 June 2019: 5% p.a).
- 12.4 These Ijara financing contracts and loans are secured by investments properties (Note 11). Long term Ijara financing and Wakala payable carry effective profit rate of 4% p.a. (31 December 2019: 5.75% and 30 June 2019: 6% p.a.)
- 12.5 The above loans are due as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Short term Tawaruq Payable	407,288	162,146	321,755
Long term loans and Wakala payable			
- Current portion due within one year	4,130,000	5,000,000	5,130,000
- Due after more than one year	21,329,375	21,459,375	30,439,375
Long term ijara and murabaha financing			
- Current portion due within one year	660,153	200,000	100,000
- Due after more than one year	-	530,500	730,500
	26,526,816	27,352,021	36,721,630

13 Share capital

Share capital

The authorised, issued and paid up share capital of the Parent Company comprise of 413,162,761 shares of 100 Fils each (31 December 2019 and 30 June 2019: 413,162,761 of 100 Fils each), fully paid in cash.

14 Treasury shares

The Group holds treasury shares as follows:

	30 June 2020 (Unaudited)	31 Dec. 2019 (Audited)	30 June 2019 (Unaudited)
Number of shares	18,197,865	18,197,865	13,112,904
Percentage of issued shares	4.40%	4.40%	3.17%
Market value (KD)	2,511,305	2,147,348	1,101,484
Cost (KD)	4,138,316	4,138,316	3,535,116

Reserves equivalent to the cost of treasury shares held are not distributable. The treasury shares are not held as collateral against any financial liability.

15 Segment analysis

The Group activities are concentrated in four main segments: Investments, Real Estate, IT services and Hotel operations. These segments are regularly reviewed by the Chief Operating Decision Maker (CODM) for resource allocation and performance assessment. In addition, the segments results, assets and liabilities are reported based on the geographical location in which the Group operates in. Segment results include revenue and expense directly attributable to each reporting segment as the Group does not have any inter segment charges. Segment assets comprise those operating assets that are directly attributable to the segment.

Notes to the interim condensed consolidated financial information (continued)

15 Segment analysis (continued)

Segmental information for the period/year ended 30 June 2020, 31 December 2019 and 30 June 2019 are as follows:

	Investments		Real Estate		IT services		Hotel operations		Total
	30 June 2020 KD	30 June 2019 KD	30 June 2020 KD	30 June 2019 KD	30 June 2020 KD	30 June 2019 KD	30 June 2020 KD	30 June 2019 KD	
Revenue from hotel operations and IT services	-	-	-	-	6,129,329	5,509,068	804,734	1,174,583	6,683,651
Investments related income (realised, unrealised and dividend income)	(409,223)	4,066,785	-	-	-	-	-	-	4,066,785
Rental income	-	-	268,283	272,136	-	-	-	-	272,136
Change in the fair value of investments properties	-	-	(881,788)	-	-	-	-	-	-
Management and placement fee	10,152	9,495	-	-	-	-	-	-	9,495
Realised gain on partial disposal of associate	-	1,488,088	-	-	-	-	-	-	1,488,088
Share of results of associates	7,556,911	4,898,309	-	11,672	-	-	-	-	4,909,981
Segment income	7,157,840	10,462,677	(613,505)	283,808	6,129,329	5,509,068	804,734	1,174,583	17,430,136
Cost of sales and services	-	-	-	-	(5,522,805)	(4,849,686)	(322,547)	(496,691)	(5,346,377)
General and administrative expenses	(1,092,755)	(2,042,172)	(8,909)	(4,838)	(476,844)	(645,773)	(540,193)	(568,196)	(3,260,979)
Operating profit	6,065,085	8,420,505	(622,414)	278,970	129,680	13,609	(58,006)	109,696	8,822,780
Interest income, other income and foreign exchange gain	508,488	(1,093,142)	-	-	-	832,014	-	-	(261,128)
Impairments	(530,967)	-	-	-	94,606	(945,000)	(6,100)	-	(945,000)
Finance cost	(490,038)	(914,852)	-	-	(32,631)	(47,605)	(62,301)	(94,299)	(1,056,756)
Segment profit/ (loss) from continuing operations	5,552,568	6,412,511	(622,414)	278,970	191,655	(146,982)	(126,407)	15,397	6,559,896
30 June 2020 (Unaudited)									
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
Investments	74,940,474	(29,299,613)	45,640,861	80,916,834	(30,259,033)	50,657,801	76,380,570	(40,411,698)	35,968,872
Real Estate	13,052,984	(672,540)	12,380,444	14,012,955	(739,512)	13,273,443	18,029,128	(843,058)	17,186,070
IT services	9,440,357	(4,754,488)	4,685,869	8,763,447	(3,792,379)	4,971,068	8,890,555	(3,827,152)	5,063,403
Hotel operations	4,160,783	(2,267,727)	1,893,056	4,536,839	(2,185,356)	2,351,483	4,563,776	(2,164,596)	2,399,180
Total	101,594,598	(36,994,368)	64,600,230	108,230,075	(36,976,280)	71,253,795	107,864,029	(47,246,504)	60,617,525

Notes to the interim condensed consolidated financial information (continued)

16 Related party transactions

Related parties represent the Ultimate Parent Company, associates, directors and key management personnel of the Group, and other related parties such as subsidiaries of the Ultimate Parent Company (fellow subsidiaries), major shareholders and companies in which directors and key management personnel of the Group are principal owners or over which they are able to exercise significant influence or joint control. Key management personnel include board of directors, chief executive officers (CEO) and principal officers of the Parent Company and its subsidiaries. Pricing policies and terms of these transactions are approved by the Group's management.

Details of significant related party transactions and balances are as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Interim condensed consolidated statement of financial position			
Due from related parties and the Ultimate Parent Company			
- Due from Ultimate Parent Company (note 8)	2,679	2,457	2,442
- Due from associates (note 8)	-	-	151,485
- Due from other related parties (note 8)	73,664	116,844	10,945
- Dividend receivable from an associate	-	-	2,067,913
- Accrued income and management fees	468,914	460,842	460,940
Due to other related parties			
- Due to Ultimate Parent Company	384	-	1,781
- Other related parties	2,000	452,000	552,000
- Associates	-	-	-
Loan payable to Ultimate Parent Company (note 12)	4,000,000	5,000,000	13,000,000
Transactions with related parties			
Retained investment property of the disposed subsidiary as part of the disposal consideration	-	2,890,538	2,890,538
Cash consideration received on sale of subsidiary	-	3,000,000	3,000,000
Disposal of associate to Ultimate Parent company	-	3,000,000	-
Disposal of associate to related party	-	867,038	-
Investments in related parties			
- Investments at fair value through profit or loss	1,390	33,971	15,394
- Investments at FVOCI	6,317,911	8,839,809	8,702,341
	Three months ended		Six months ended
	30 June 2020 (Unaudited) KD	30 June 2019 (Unaudited) KD	30 June 2020 (Unaudited) KD
Interim condensed consolidated statement of profit or loss			
Management and placement fees			
- earned from Ultimate Parent Company	270	269	505
- earned from other related parties	598	686	1,170
Finance cost - Ultimate Parent company	34,904	162,877	80,670
Loss on disposal of subsidiary	-	-	-
Compensation of key management personnel of the Group			
Short term employee benefits	67,904	37,963	115,660
End of service benefits	2,188	1,980	4,376
	70,092	39,943	120,036
			104,247

Notes to the interim condensed consolidated financial information (continued)

17 Summary of financial assets and liabilities by category and fair value measurement

17.1 Categories of financial assets and liabilities

The carrying amounts of the Group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position may also be categorized as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
At amortised cost:			
• Cash and bank balances	3,904,927	2,580,478	5,613,048
• Short term deposits	3,338,443	5,628,943	1,109,286
• Murabaha and sukuk investments	1,000,000	1,000,000	1,000,000
• Accounts receivable and other assets (note 8)	6,771,474	4,290,142	11,836,528
	15,014,844	13,499,563	19,558,862
Investments at fair value through profit or loss (note 7)	7,821,340	11,704,245	11,617,430
Investments at fair value through other comprehensive income (note 9)	12,980,528	16,168,068	16,697,387
Total financial assets	35,816,712	41,371,876	47,873,679
Financial liabilities (at amortised costs) :			
• Due to banks	704,053	408,598	453,887
• Accounts payable and other liabilities	8,545,295	8,157,560	9,127,547
• Borrowings from banks and financial institutions (note 12)	26,526,816	27,352,021	36,721,630
	35,776,164	35,918,179	46,303,064

Fair value represents 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 Group measures financial instruments such as investments at fair value through profit or loss and investment at fair value through other comprehensive income at fair value and measurement details are disclosed in note 17.2 to the interim condensed consolidated financial statements. In the opinion of the Group's management, except for certain long term borrowing the carrying amounts of all other financial assets and liabilities which are carried at amortised costs are considered a reasonable approximation of their fair values.

17.2 Fair value hierarchy for financial instruments measured at fair value

The following table presents the financial assets which are measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

Notes to the interim condensed consolidated financial information (continued)

17 Summary of financial assets and liabilities by category (continued)

17.2 Fair value hierarchy for financial instruments measured at fair value (continued)

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the consolidated statement of financial position are Grouped into the fair value hierarchy as follows:

30 June 2020		Level 1	Level 2	Level 3	Total
		KD	KD	KD	KD
Financial assets at fair value:					
Investments at fair value through profit or loss					
- Quoted shares		7,654,964	-	-	7,654,964
- Foreign fund		-	166,376	-	166,376
Financial assets at fair value through other comprehensive income					
-Quoted shares		6,545,895	-	-	6,545,895
-Unquoted shares		-	4,517,695	1,290,241	5,807,936
-Foreign funds		-	626,697	-	626,697
Total assets		14,200,859	5,310,768	1,290,241	20,801,868

	Note	Level 1	Level 2	Level 3	Total
		KD	KD	KD	KD
31 December 2019					
Financial assets at fair value:					
Investments at fair value through profit or loss					
-Quoted shares	a	11,116,688	-	-	11,116,688
-Unquoted shares	c	-	587,557	-	587,557
Investments at fair value through other comprehensive income					
-Quoted shares	a	9,081,667	-	-	9,081,667
-Unquoted shares	c	-	5,111,082	1,353,964	6,465,046
-Foreign funds	b	-	621,355	-	621,355
Total assets		20,198,355	6,319,994	1,353,964	27,872,313

30 June 2019		Level 1	Level 2	Level 3	Total
		KD	KD	KD	KD
Financial assets at fair value:					
Investments at fair value through profit or loss					
- Quoted shares		11,004,509	-	-	11,004,509
- Foreign fund		-	612,921	-	612,921
Financial assets at fair value through other comprehensive income					
-Quoted shares		8,949,782	-	-	8,949,782
-Unquoted shares		-	5,315,503	1,978,597	7,294,100
-Foreign funds		-	453,505	-	453,505
Total assets		19,954,291	6,381,929	1,978,597	28,314,817

Notes to the interim condensed consolidated financial information (continued)

17 Summary of financial assets and liabilities by category (continued)

17.2 Fair value hierarchy for financial instruments measured at fair value (continued)

The methods and valuation techniques used for the purpose of measuring fair values, are unchanged compared to the previous reporting year/period.

Level 3 Fair value measurements

The Group measurement of financial assets and liabilities classified in level 3 uses valuation techniques inputs that are not based on observable market data. The financial instruments within this level can be reconciled from beginning to ending balances as follows:

	30 June 2020 (Unaudited) KD	31 Dec. 2019 (Audited) KD	30 June 2019 (Unaudited) KD
Balance at the beginning of the period/year	1,353,964	2,105,193	2,105,193
Change in fair value	(63,723)	(793,891)	(126,596)
Addition	-	42,662	-
Balance at the end of the period/year	1,290,241	1,353,964	1,978,597

18 Contingencies and Capital commitments

Contingencies

On 1 December 2011, the Parent Company's Jordanian subsidiary, Noor Jordanian Kuwaiti Financial Investment Company Limited ("the Seller") disposed of its entire equity interest in one of its Jordanian subsidiary (Noor Jordan Kuwait Transport Company JSCC) to three individual buyers ("the Buyers"). Subsequent to the transfer of shares and control to the Buyers, they have filed a case against the seller claiming misrepresentation in valuing the subsidiary assets at JD4,500,000 (KD 1,953,597). The subsidiary's management and legal advisor believe that the favorable decision of the court is probable; hence, no provision for any effects that may result has been made in the interim condensed consolidated financial information.

Guarantees and capital commitments

At the reporting date, the Group had capital commitments of KD Nil (31 December 2019: KD 1,038,605 and 30 June 2019: KD 1,134,194) towards purchase of investments and development of investment properties and guarantees amounting to KD3,612,081 (31 December 2019: KD1,169,544 and 30 June 2019: KD2,741,194).

19 Fiduciary assets

The Group manages mutual funds and portfolios on behalf of its Ultimate Parent Company, other related parties and outsiders, and maintains securities in fiduciary accounts which are not reflected in the Group's interim condensed consolidated statements of financial position. Assets under management at 30 June 2020 amounted to KD25,120,933 (31 December 2019: KD26,986,404 and 30 June 2019: KD26,400,686) of which assets managed on behalf of its Ultimate Parent Company and other related parties amounted to KD19,366,352 (31 December 2019: KD19,681,561 and 30 June 2019: KD19,665,841).

20 Distributions and directors' remuneration

At the General Assembly of the Parent Company's Shareholders' held on 29th April 2020, the shareholders approved to distribute a cash dividend to shareholders equivalent to 6 fils per share amounting to KD2,414,596 for the year ended 31 December 2019 (31 December 2018: 5 fils) and an amount of KD120,000 as directors' remuneration for year ended 31 December 2019.

Notes to the interim condensed consolidated financial information (continued)

21 Wakala Investments

- a) Wakala investments of KD14,324,160 placed with a local Islamic investment company matured in the last quarter of 2008. The investee company defaulted on settlement of these balances on the maturity date. However, revised maturity dates were stipulated by the court. The investee company again defaulted the payment of 2nd, 3rd, 4th and 5th instalments due in June 2014, 2015, 2016 and 2017 respectively. Full provision was made for receivable in accordance with the Central Bank of Kuwait provision rules. The Group initiated various legal cases against the investee company, which have been decided in favor of the Group. During the year 2019, the Parent Company has signed settlement agreement with Investee Company and as per this agreement 50% shares of a local unlisted company (acquired company) have been transferred to Parent Company.

The acquired company along with other entities are pursuing legal action in order to execute their joint rights as per previous court verdict. The management of the Parent Company is of the opinion that the financial impact of this transaction will be adjusted upon completion of the relevant legal proceedings.

- b) During the previous years, the Group assumed the financial and legal obligations on wakala investments of KD1,683,250 (in violation of the Commercial Companies Law of 1960) that the Group had placed with the above investment company as part of the total wakala investments of KD14,324,160 in a fiduciary capacity under a wakala agreement with certain related parties, despite having no such obligation under the wakala agreement. As noted above, the amount was fully provided in accordance with Central Bank of Kuwait rules. The Group initiated legal proceedings against the parties to recover the amount including profits thereon. During 2019, consequent to a court ruling decided in favor of the Group, the related parties entered into a settlement agreement with the Parent Company to settle the above amount of KD1,683,250. The Parent Company received partial 2nd and 3rd payment of KD200,000 each during the current period as per the settlement agreements and the remaining amount of KD400,000 and KD683,250 are to be received in 2020 and 2021 respectively. This has resulted in a reversal of provision on wakala investment amounting to KD400,000 in accordance with Central Bank of Kuwait credit provisioning rules and it has been included under interest and other income.

22 Comparative information

Certain comparative figures have been reclassified to conform to the presentation in the current period, and such reclassification does not affect previously reported net assets, net equity and net results for the period or net decrease in cash and cash equivalents.

23 Merger with a subsidiary

The Board of Directors of the Parent Company in the meeting held on 18 November 2019 approved, in principle, to offer one of its subsidiary, Noor Telecommunication Holding Company KSCC (merged entity), to merge by way of amalgamation with the Parent Company (merging entity), as stipulated in the CMA regulations bylaw Chapter 9 (Acquisition and Merger) of law No.7.

Further, the Board of Directors in the meeting held on 24 June 2020, approved to submit the relevant documents including advisors reports to the regulatory authorities in order to obtain the related approvals.

As a result of the proposed merger and subject to the approvals of regulatory authorities and the shareholders of both the merging entities, the shareholders of the merged entity are expected to receive shares of the Parent Company.