

التاريخ: 27 / 08 / 2020


المرجع: 2020- BK-014

السادة / شركة بورصة الكويت  
المحترمين  
تحية طيبة وبعد ،،،

الموضوع: البيانات المالية المرحلية لشركة سكوك القابضة  
عن الفترة المنتهية في 30 يونيو 2020

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام الفصل الرابع من كتاب " الإفصاح والشفافية" من اللائحة التنفيذية للقانون رقم (7) لسنة 2010 وتعديلاته الصادرة عن هيئة أسواق المال، بشأن الإفصاح عن المعلومات الجوهرية، نود إفادتكم بأن مجلس إدارة شركة سكوك القابضة قد اجتمع اليوم الخميس الموافق 27 أغسطس 2020 واعتمد البيانات المالية المرحلية للشركة لفترة الستة أشهر المنتهية في 30 يونيو 2020.

وتفضلوا بقبول فائق الاحترام والتقدير،،

  
أحمد محمد القرشي  
الرئيس التنفيذي



Select from the list

2020-06-30

اختر من القائمة

Company Name	اسم الشركة
Sokouk Holding Co. K.S.C.P	شركة صكوك القابضة ش.م.ك.ع
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-08-27	
Required Documents	المستندات الواجب إرفاقها بالنموذج
<input checked="" type="checkbox"/> Approved financial statements	<input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة
<input checked="" type="checkbox"/> Approved auditor's report	<input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	اختر من القائمة	اختر من القائمة	البيان
Change (%)	Six Month Comparativ Period	Six Month Current Peri	Statement
	2019-06-30	2020-06-30	
796%	(553,013)	(4,953,029)	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
796%	(0.97)	(8.66)	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
64%	3,356,441	5,510,603	الموجودات المتداولة Current Assets
(12%)	76,206,219	67,017,607	إجمالي الموجودات Total Assets
5%	24,000,874	25,184,746	المطلوبات المتداولة Current Liabilities
(1%)	26,489,180	26,186,366	إجمالي المطلوبات Total Liabilities
(17%)	48,512,987	40,329,261	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
(143%)	2,503,694	(1,081,397)	إجمالي الإيرادات التشغيلية Total Operating Revenue
1279%	(364,427)	(5,025,328)	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
77%	(%15.84)	(%27.99)	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	أختر من القائمة	أختر من القائمة	البيان Statement
Change (%)	Second quarter Comparative Period	Second quarter Current Period	
	2019-06-30	2020-06-30	
(11,025%)	39,546	(4,320,568)	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(11,025%)	0.07	(7.56)	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
(213%)	1,520,412	(1,710,623)	إجمالي الإيرادات التشغيلية Total Operating Revenue
(3,545%)	128,969	(4,443,104)	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
<ol style="list-style-type: none"> <li>1. Reduction in hotel revenue due to Lock-Down.</li> <li>2. Share of loss from associates.</li> <li>3. Impairment of properties.</li> </ol>	<ol style="list-style-type: none"> <li>1. انخفاض في إيرادات الفنادق بسبب الإغلاق.</li> <li>2. حصة من الخسائر من نتيجة أعمال الشركات زميلة.</li> <li>3. انخفاض التقييم للعقارات المملوكة للشركة.</li> </ol>
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 27,240	27,240 د.ك
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 44,128	44,128 د.ك

خالد  
عبدالله

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
None / لا يوجد	None / لا يوجد		توزيعات نقدية Cash Dividends
None / لا يوجد	None / لا يوجد		توزيعات أسهم منحة Bonus Share
None / لا يوجد	None / لا يوجد		توزيعات أخرى Other Dividend
None / لا يوجد	None / لا يوجد		عدم توزيع أرباح No Dividends
None / لا يوجد	None / لا يوجد	علاوة الإصدار Issue Premium	زيادة رأس المال Capital Increase
None / لا يوجد	None / لا يوجد		تخفيض رأس المال Capital Decrease

**The Company's comments in case the auditor has concerns or a qualified opinion**

**Basis for Auditor's Qualified Conclusion due to determine whether the value of the right of use asset require adjustments in the associates financial statement:**

**Company's comments:**

As indicated, the expert was unable to present his report to the associate till the date of approval of its financial statements, but expects to obtains these evaluation reports and assess the impact during the third quarter of the current year.

**Certain leased assets of the Group classified as finance leases are not stated at the recoverable amount, consequently not writing down the asset.**

**Company's comments:**

The Group is still in the process of negotiating the hand over terms with the lender and no final conclusion has been reached as of date. Management acknowledges that a material uncertainty remains that could result in outcomes that require a material adjustment to the carrying amount of assets affected in the third quarter of the current year.

**تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات**


**تحفظ مدقق الحسابات بسبب تحديد ما إذا كانت قيمة حق استخدام الأصل تتطلب تعديلات في البيانات المالية للشركات الزميلة:**  
تعليقات الشركة:

حسب ما تم توضيحه من قبل الشركة الزميلة ، لم يتمكن الخبير من تقديم تقريره للشركة الزميلة حتى تاريخ الموافقة على البيانات المالية ، ولكنه يتوقع الحصول على تقارير التقييم والأثر المترتب عليه خلال الربع الثالث من العام الحالي.

**عقد ايجارة اصل لدى المجموعة تم تصنيفة كإيجار تمويلي ولم يتم تحديد قيمته القابلة للاسترداد ، وبالتالي لم يتم استبعاد الأصل كاملاً.**

تعليقات الشركة:

لا تزال المجموعة في طور التفاوض بشأن شروط التسليم مع المقرض ولم يتم التوصل إلى نتيجة نهائية حتى تاريخه. تقرر الإدارة بأنه لا يزال هناك شك جوهري قد يؤدي إلى نتائج تتطلب تعديلاً جوهرياً على القيمة الدفترية للأصول في الربع الثالث من العام الحالي.

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		الرئيس التنفيذي Chief Executive Officer	أحمد محمد القرشي Ahmad Mohammed Al-Quraishi

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد

## تقرير المراجعة حول المعلومات المالية المرحلية المكثفة المجمعة إلى حضرات السادة أعضاء مجلس إدارة شركة صكوك القابضة ش.م.ك.ع.

### تقرير حول المعلومات المالية المرحلية المكثفة المجمعة

لقد راجعنا بيان المركز المالي المرحلي المكثف المجمع المرفق لشركة صكوك القابضة ش.م.ك.ع. ("الشركة الأم") وشركاتها التابعة (يشار إليها معاً بـ "المجموعة") كما في 30 يونيو 2020 وبياني الأرباح أو الخسائر والدخل الشامل المرحليين المكتفين المجمعين المتعلقين به لفترتي الثلاثة أشهر والستة أشهر المنتهيتين بذلك التاريخ، وبياني التغيرات في حقوق الملكية والتدفقات النقدية المرحليين المكتفين المجمعين المتعلقين به لفترة الستة أشهر المنتهية بذلك التاريخ. إن إدارة الشركة الأم هي المسؤولة عن إعداد هذه المعلومات المالية المرحلية المكثفة المجمعة وعرضها وفقاً لمعيار المحاسبة الدولي 34 "التقرير المالي المرحلي". إن مسؤوليتنا هي التعبير عن نتيجة مراجعتنا لهذه المعلومات المالية المرحلية المكثفة المجمعة.

### نطاق المراجعة

باستثناء ما هو مذكور في الفقرة التالي، لقد قمنا بمراجعتنا وفقاً للمعيار الدولي 2410 "مراجعة المعلومات المالية المرحلية المنفذة من قبل مراقب الحسابات المستقل للمجموعة" المتعلق بمهام المراجعة. تتمثل مراجعة المعلومات المالية المرحلية في توجيه الاستفسارات بصفة رئيسية إلى الموظفين المسؤولين عن الأمور المالية والمحاسبية وتطبيق الإجراءات التحليلية والإجراءات الأخرى للمراجعة. إن نطاق المراجعة أقل بشكل كبير من نطاق التدقيق الذي يتم وفقاً لمعايير التدقيق الدولية وعليه، فإنه لا يمكننا الحصول على تأكيد بأننا على علم بكافة الأمور الهامة التي يمكن تحديدها في التدقيق. وبالتالي فإننا لا نبدى رأياً يتعلق بالتدقيق.

### أساس النتيجة المتحفظة

1. يتعين على المجموعة إجراء تقييم في تاريخ المعلومات المالية المرحلية المكثفة المجمعة لكافة الموجودات الواقعة ضمن نطاق معيار المحاسبة الدولي 36 "انخفاض قيمة الموجودات"، لتحديد ما إذا كان هناك أية مؤشرات على انخفاض القيمة. وفي ظل آخر المستجدات حول الجائحة، قررت الشركات الزميلة المحتفظ بها من قبل المجموعة وقف عمليات الفنادق في كل من مكة والمدينة حتى إشعار آخر، وبالتالي هناك مصادر معلومات خارجية وداخلية تشير إلى أن بعض الموجودات غير المالية المحتفظ بها من قبل الشركات الزميلة (موجودات حق الاستخدام) قد تتطلب خضوعها لاختبارات انخفاض القيمة. ونتيجة لذلك، يتعين على المجموعة القيام بأحكام لتحديد المبلغ الممكن استرداده لهذه الاستثمارات يتم تقديره على أساس القيمة أثناء الاستخدام للموجودات غير المالية الضمنية لكي تعكس حالة عدم التيقن الحالي.

خلال الفترة الحالية، قامت إدارة الشركات الزميلة بتعيين مقيم مستقل خارجي معتمد ("خبير خارجي") للمساعدة في تقييم انخفاض قيمة كل من شركاتها الزميلة والدرجة بقيمة 25,917,917 دينار كويتي كما في 30 يونيو 2020 استناداً إلى التدفقات النقدية واعتبارات التقييم المعدلة. إلا أنه، لم يتم الانتهاء من هذا التقييم من قبل الخبير الخارجي كما في تاريخ التصريح بإصدار هذه المعلومات المالية المرحلية المكثفة المجمعة. وبالتالي، لم نتمكن من تحديد ما إذا كان من الضروري إجراء أية تعديلات على المعلومات المالية المرحلية المكثفة المجمعة للمجموعة.

2. إن بعض الموجودات المستأجرة لدى المجموعة بمبلغ 27,012,175 دينار كويتي مصنفة كإيجار تمويلي ومدرجة ضمن بند "ممتلكات ومعدات" في بيان المركز المالي المرحلي المكثف المجمع. لم تقم المجموعة بإدراج الأصل المستأجر بقيمته الممكن استرداده، في ظل الحدث المفصح عنه في الإيضاحين 7 و9 حول المعلومات المالية المرحلية المكثفة المجمعة، بما يشكل خروجاً عن المتطلبات الواردة في المعايير الدولية للتقارير المالية. فيما لو تم تسجيل الأصل المستأجر بقيمته الممكن استرداده، لتطلب ذلك تخفيض الأصل المستأجر إلى قيمته الممكن استرداده بمبلغ 6,012,175 دينار كويتي. بناء عليه، لانخفضت الممتلكات والمعدات بمبلغ 6,012,175 دينار كويتي وارتفعت خسارة الفترة والخسائر المتراكمة بنفس المبلغ.

### النتيجة المتحفظة

باستثناء التأثيرات والتأثيرات المحتملة للأمور المبينة في تقريرنا في فقرة "أساس النتيجة المتحفظة"، واستناداً إلى مراجعتنا، فإنه لم يرد إلى علمنا ما يستوجب الاعتقاد بأن المعلومات المالية المرحلية المكثفة المجمعة المرفقة لم يتم إعدادها، من جميع النواحي المادية، وفقاً لمعيار المحاسبة الدولي 34.

**تقرير المراجعة حول المعلومات المالية المرحلية المكثفة المراجعة  
إلى حضرات السادة أعضاء مجلس إدارة شركة صكوك القابضة ش.م.ك.ع. (تتمة)**

**تقرير حول المعلومات المالية المرحلية المكثفة المراجعة (تتمة)**

**عدم التأكد المادي المتعلق بمبدأ الاستمرارية**

نلفت الانتباه إلى الإيضاح 2 حول المعلومات المالية المرحلية المكثفة المراجعة والذي يبين أن المجموعة تكبدت صافي خسارة بمبلغ 5,202,755 دينار كويتي خلال السنة أشهر المنتهية في 30 يونيو 2020 (30 يونيو 2019: 570,905 دينار كويتي)، وكما في ذلك التاريخ، بلغت الخسائر المتراكمة لدى المجموعة مبلغ 16,602,495 دينار كويتي (31 ديسمبر 2019: 11,649,466 دينار كويتي و30 يونيو 2019: 9,392,888 دينار كويتي). علاوة على ذلك، تجاوزت المطلوبات المتداولة لدى المجموعة موجوداتها المتداولة بمبلغ 19,674,143 دينار كويتي (31 ديسمبر 2019: 17,980,868 دينار كويتي و30 يونيو 2019: 20,644,433 دينار كويتي).

بالإضافة إلى ما سبق، كما هو مبين في الإيضاح 9، انتهت ترتيبات التمويل لدى المجموعة وحل المبلغ المستحق الدفع بقيمة 21,000,000 دينار كويتي في 30 يونيو 2020. ولم تتمكن المجموعة من إعادة التفاوض مع المقرض أو الحصول على تمويل بديل كما في تاريخ التصريح بهذه المعلومات المالية المرحلية المكثفة المراجعة. وفقاً لما هو مبين في الإيضاح 2، تشير هذه الأحداث أو الظروف، إلى جانب الأمور الأخرى المبينة في الإيضاحات ذات الصلة، إلى وجود عدم يقين مادي قد يؤثر سلباً جوهرياً حول قدرة المجموعة على مواصلة أعمالها على أساس مبدأ الاستمرارية. إن نتيجتنا غير معدلة فيما يتعلق بهذا الأمر.

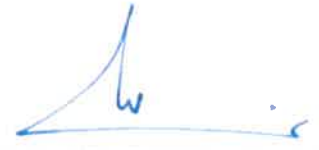
**التأكيد على أمر**

نلفت الانتباه إلى الإيضاح 6 حول المعلومات المالية المرحلية المكثفة المراجعة، والذي يبين أنه خلال سنة 2015، قام مقاول أحد عقارات شركة زميلة للشركة الأم، وهي شركة منشآت للمشاريع العقارية ش.م.ك.ع. ("منشآت")، والكانن في المملكة العربية السعودية بالمطالبة بمبلغ يعادل 41 مليون دينار كويتي. وقد قامت منشآت في المقابل برفع دعوى مطالبة مضادة ضد نفس المقاول وذلك للتأخير في إنجاز المشروع بمبلغ يعادل 51 مليون دينار كويتي. لا يمكن في الوقت الحالي تحديد النتيجة النهائية لهذا الأمر، وبالتالي لم يتم احتساب مخصص في المعلومات المالية المرحلية المكثفة المراجعة كما في 30 يونيو 2020 مقابل أي التزام قد ينشأ. إن نتيجتنا غير معدلة فيما يتعلق بهذا الأمر.

**تقرير حول المتطلبات القانونية والرقابية الأخرى**

إضافة إلى ذلك، واستناداً إلى مراجعتنا، فإن المعلومات المالية المرحلية المكثفة المراجعة متفقة مع ما هو وارد في الدفاتر المحاسبية للشركة الأم. نبين أيضاً، باستثناء الأمور المبينة في تقريرنا في فقرة "أساس النتيجة المتحفظة"، حسبما وصل إليه علمنا واعتقادنا، أنه لم يرد إلى علمنا وجود أية مخالفات لأحكام قانون الشركات رقم 1 لسنة 2016 والتعديلات اللاحقة له ولانحته التنفيذية والتعديلات اللاحقة لها، أو لعقد التأسيس أو للنظام الأساسي للشركة الأم والتعديلات اللاحقة لها، خلال فترة السنة أشهر المنتهية في 30 يونيو 2020 على وجه قد يكون له تأثيراً مادياً على نشاط الشركة الأم أو مركزها المالي.

نبين أيضاً أنه خلال مراجعتنا، باستثناء الأمور المبينة في تقريرنا في فقرة "أساس النتيجة المتحفظة"، وحسبما وصل إليه علمنا واعتقادنا أنه لم يرد إلى علمنا وجود أية مخالفات لأحكام القانون رقم 7 لسنة 2010 في شأن هيئة أسواق المال والتعليمات المتعلقة به خلال فترة السنة أشهر المنتهية في 30 يونيو 2020 على وجه قد يكون له تأثيراً مادياً على نشاط الشركة الأم أو مركزها المالي.



بدر عادل العبدالجادر  
سجل مراقبي الحسابات رقم 207 فئة أ  
إرنست ويونغ  
العيان والعصيمي وشركاهم

30 أغسطس 2020  
الكويت

## شركة صكوك القابضة ش.م.ك.ع. وشركاتها التابعة

بيان المركز المالي المرحلي المكثف المجمع (غير مدقق)  
في 30 يونيو 2020

30 يونيو 2019 دينار كويتي	(مدققة) 31 ديسمبر 2019 دينار كويتي	30 يونيو 2020 دينار كويتي	إيضاحات	
				<b>الموجودات</b>
2,198,237	3,579,465	4,822,493		النقد والنقد المعادل
60,631	62,746	52,609		مخزون
1,297,573	2,113,747	835,501		مدينون ومدفوعات مقدماً
5,400,000	5,380,000	5,141,000	5	عقارات استثمارية
2,047,247	1,747,894	1,697,954		عقار مستأجر
				موجودات مالية مدرجة بالقيمة العادلة من خلال الإيرادات
2,142,588	1,069,985	723,813		الشاملة الأخرى
29,699,728	28,734,934	25,917,917	6	استثمار في شركات زميلة
33,360,215	29,636,716	27,826,320	7	ممتلكات ومعدات
<b>76,206,219</b>	<b>72,325,487</b>	<b>67,017,607</b>		<b>مجموع الموجودات</b>
				<b>حقوق الملكية والمطلوبات</b>
				<b>حقوق الملكية</b>
59,314,500	59,314,500	59,314,500	8	رأس المال
2,895,475	2,895,475	2,895,475		احتياطي اجباري
2,895,475	2,895,475	2,895,475		احتياطي اختياري
(1,769,871)	(1,769,871)	(1,769,871)	8	أسهم خزينة
(1,850,359)	(1,868,513)	(1,944,584)		تأثير التغيرات في الإيرادات الشاملة الأخرى لشركات زميلة
54,724	53,916	92,221		احتياطي تحويل عملات أجنبية
(3,361,819)	(3,933,038)	(4,279,210)		احتياطي القيمة العادلة
(272,250)	(272,250)	(272,250)		احتياطيات أخرى
(9,392,888)	(11,649,466)	(16,602,495)		خسائر متراكمة
<b>48,512,987</b>	<b>45,666,228</b>	<b>40,329,261</b>		<b>حقوق الملكية الخاصة بمساهمي الشركة الأم</b>
1,204,052	751,705	501,979		الحصص غير المسيطرة
<b>49,717,039</b>	<b>46,417,933</b>	<b>40,831,240</b>		<b>إجمالي حقوق الملكية</b>
				<b>المطلوبات</b>
24,487,782	23,737,029	24,056,782	9	دائنو تمويل إسلامي
1,698,733	1,798,688	1,750,171		دائنون ومصرفات مستحقة
302,665	371,837	379,414		مكافأة نهاية الخدمة للموظفين
<b>26,489,180</b>	<b>25,907,554</b>	<b>26,186,367</b>		<b>إجمالي المطلوبات</b>
<b>76,206,219</b>	<b>72,325,487</b>	<b>67,017,607</b>		<b>مجموع حقوق الملكية والمطلوبات</b>



أحمد محمد عثمان القرشي  
الرئيس التنفيذي





نواف مساعد عبد العزيز العصيمي  
رئيس مجلس الإدارة

إن الإيضاحات المرفقة من 1 إلى 13 تشكل جزءاً من هذه المعلومات المالية المرحلية المكثفة المجمع.

**Sokouk Holding Company K.S.C.P.  
and its Subsidiaries**

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

**30 JUNE 2020**







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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P.**

### **Report on the Interim Condensed Consolidated Financial Information**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Sokouk Holding Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) as at 30 June 2020, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended.. The 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* (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

#### *Scope of Review*

Except as explained in the following paragraph, 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, it 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.

#### *Basis for Qualified Conclusion*

1. The Group is required to assess at the reporting date, for all assets in scope of IAS 36 ‘*Impairment of Assets*’, whether there are any indicators of impairment. With the recent developments of the pandemic, the associates held by the Group decided to cease its hotel operations in Mecca and Medina until further notice, hence there are both external and internal sources of information indicating that certain non-financial assets held by the associates (i.e. right-of-use assets) may trigger the requirement for impairment tests. As a result, the Group is required to apply judgement to determine the recoverable amount of such investments estimated based on the value in use of the underlying non-financial assets to reflect the current uncertainty.

During the current period, the management of the associates engaged an accredited external independent valuer (“external expert”) to assist in the impairment assessment for each of its associates carried at 25,917,917 as at 30 June 2020, based on revised cash flows and valuation metrics. However, the external expert has not completed the exercise as at the authorisation date of this interim condensed consolidated financial information. Consequently, we were unable to determine whether any adjustments might be necessary to the interim condensed consolidated financial information of the Group.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P. (continued)**

*Basis for Qualified Conclusion (continued)*

2. Certain leased assets of the Group amounting to KD 27,012,175 are classified as finance leases and included under 'Properties and equipment' in the interim condensed consolidated statement of financial position. The Group has not recorded the leased asset at the recoverable amount, in light of the events disclosed in Notes 7 and 9 to the interim condensed consolidated financial information, which is not in line with the requirements of IFRSs. Had the leased asset been recorded at its recoverable amount, an amount of KD 6,012,175 would have been required to write down the leased asset to its recoverable amount. Accordingly, properties and equipment would have decreased by KD 6,012,175 and loss for the period and accumulated losses would have increased by the same amount.

*Qualified Conclusion*

Except for the effects and possible effects of the matters described in the "Basis for Qualified Conclusion" section of our report, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

*Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the interim condensed consolidated financial information, which indicates that the Group incurred a net loss of KD 5,202,755 during the six months ended 30 June 2020 (30 June 2019: KD 570,905), and, as of that date, the Group's has accumulated losses amounted to KD 16,602,495 (31 December 2019: KD 11,649,466 and 30 June 2019: KD 9,392,888). Further, the Group's current liabilities exceeded its current assets by KD 19,674,143 (31 December 2019: KD 17,980,868 and 30 June 2019: KD 20,644,433).

In addition to the above, as disclosed in Note 9, the Group's financing arrangements expired and the amount outstanding of KD 21,000,000 was payable on 30 June 2020. The Group has been unable to conclude re-negotiations with the lender or obtain replacement financing as at the authorisation date of this interim condensed consolidated financial information. As stated in Note 2, these events or conditions, along with other matters as set forth in the notes, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

*Emphasis of Matter*


We draw attention to Note 6 to the interim condensed consolidated financial information which describes that during the year 2015, the contractor of one of the properties of an associate of the Company i.e. Munshaat Real Estate Projects Company K.S.C.P. ("Munshaat"), situated in the Kingdom of Saudi Arabia has claimed an amount equivalent to KD 41 million and Munshaat has filed a counterclaim against the same contractor for delay in completing the project for an amount equivalent to KD 51 million. The ultimate outcome of the matter cannot presently be determined, and accordingly no provision for any liability that may result has been recognised in the interim condensed consolidated financial information as at 30 June 2020. Our conclusion is not modified in respect of this matter.

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO BOARD OF DIRECTORS OF SOKOUK HOLDING COMPANY K.S.C.P. (continued)**

**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, except for the matters described in the “Basis for Qualified Conclusion” section of our report, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company’s Memorandum of Incorporation and Articles of Association have occurred during the six-month period ended 30 June 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, except for the matters described in the “Basis for Qualified Conclusion” section of our report, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the six-month period ended 30 June 2020 that might have had a material effect on the business of the Parent Company or on its financial position.



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BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

30 August 2020  
Kuwait

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
(UNAUDITED)

For the period ended 30 June 2020

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2020	2019	2020	2019
		KD	KD	KD	KD
<b>INCOME</b>					
Hospitality income		542,511	1,180,722	1,498,136	2,597,478
Hospitality costs		(339,814)	(700,556)	(923,216)	(1,409,509)
Net hospitality income		202,697	480,166	574,920	1,187,969
Net rental income from investment properties	5	54,658	98,265	151,619	196,774
Share of results of associates		(2,337,585)	248,375	(2,779,251)	(290,558)
Management fees income		11,543	23,029	27,240	34,437
Other income		31,712	6,623	57,106	14,307
		(2,036,976)	856,458	(1,968,367)	1,142,929
<b>EXPENSES</b>					
Staff costs		(184,591)	(232,660)	(360,440)	(500,616)
Administrative expenses		(83,910)	(232,120)	(282,778)	(472,159)
Impairment of property and equipment		(1,453,963)	-	(1,453,963)	-
Provision for expected credit losses		(192,809)	-	(192,809)	-
Change in fair value of investment properties	5	(239,000)	-	(239,000)	-
Finance costs		(327,919)	(343,285)	(655,458)	(682,566)
Amortisation of leasehold property	7	(24,970)	(29,247)	(49,940)	(58,493)
		(2,507,162)	(837,312)	(3,234,388)	(1,713,834)
<b>(LOSS) PROFIT FOR THE PERIOD</b>		<b>(4,544,138)</b>	19,146	<b>(5,202,755)</b>	(570,905)
<b>Attributable to:</b>					
Equity holders of the Parent Company		(4,320,568)	39,546	(4,953,029)	(553,013)
Non-controlling interests		(223,570)	(20,400)	(249,726)	(17,892)
		(4,544,138)	19,146	(5,202,755)	(570,905)
<b>BASIC AND DILUTED (LOSS) EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>					
	4	(7.56) Fils	0.07 Fils	(8.66) Fils	(0.97) Fils

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2020

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2020</i> <i>KD</i>	<i>2019</i> <i>KD</i>	<i>2020</i> <i>KD</i>	<i>2019</i> <i>KD</i>
<b>(LOSS) PROFIT FOR THE PERIOD</b>	<b>(4,544,138)</b>	19,146	<b>(5,202,755)</b>	(570,905)
<b>Other comprehensive (loss) income</b>				
<i>Other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	<b>(5,965)</b>	(8,903)	<b>38,305</b>	(1,180)
Share of other comprehensive income (loss) of associates	<b>5,138</b>	9,456	<b>(76,071)</b>	(4,509)
<b>Net other comprehensive (loss) income that may be reclassified to profit or loss in subsequent periods</b>	<b>(827)</b>	553	<b>(37,766)</b>	(5,689)
<i>Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net (loss) gain on equity instruments at fair value through other comprehensive income	<b>(94,411)</b>	200,721	<b>(346,172)</b>	32,709
<b>Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods</b>	<b>(94,411)</b>	200,721	<b>(346,172)</b>	32,709
<b>Net other comprehensive (loss) income for the period</b>	<b>(95,238)</b>	201,274	<b>(383,938)</b>	27,020
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(4,639,376)</b>	220,420	<b>(5,586,693)</b>	(543,885)
<b>Attributable to:</b>				
Equity holders of the Parent Company	<b>(4,415,806)</b>	240,820	<b>(5,336,967)</b>	(525,993)
Non-controlling interests	<b>(223,570)</b>	(20,400)	<b>(249,726)</b>	(17,892)
	<b>(4,639,376)</b>	220,420	<b>(5,586,693)</b>	(543,885)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Sokouk Holding Company K.S.C.P. and its Subsidiaries  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION (UNAUDITED)**  
At 30 June 2020

		(Audited)	
	Notes	30 June 2020 KD	31 December 2019 KD
			30 June 2019 KD
<b>ASSETS</b>			
Cash and cash equivalents		4,822,493	3,579,465
Inventories		52,609	62,746
Accounts receivable and prepayments		835,501	2,113,747
Investment properties	5	5,141,000	5,380,000
Leasehold property		1,697,954	1,747,894
Financial assets at FVOCI		723,813	1,069,985
Investment in associates	6	25,917,917	28,734,934
Property and equipment	7	27,826,320	29,636,716
<b>TOTAL ASSETS</b>		<b>67,017,607</b>	<b>72,325,487</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	8	59,314,500	59,314,500
Statutory reserve		2,895,475	2,895,475
Voluntary reserve		2,895,475	2,895,475
Treasury shares	8	(1,769,871)	(1,769,871)
Effect of changes in OCI of associates		(1,944,584)	(1,868,513)
Foreign currency translation reserve		92,221	53,916
Fair value reserve		(4,279,210)	(3,933,038)
Other reserves		(272,250)	(272,250)
Accumulated losses		(16,602,495)	(11,649,466)
<b>Equity attributable to equity holders of the Parent Company</b>		<b>40,329,261</b>	<b>45,666,228</b>
Non-controlling interests		501,979	751,705
<b>Total equity</b>		<b>40,831,240</b>	<b>46,417,933</b>
<b>Liabilities</b>			
Islamic finance payables	9	24,056,782	23,737,029
Accounts payable and accruals		1,750,171	1,798,688
Employees' end of service benefits		379,414	371,837
<b>Total liabilities</b>		<b>26,186,367</b>	<b>25,907,554</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>67,017,607</b>	<b>72,325,487</b>

  
Nawaf Musa'ed Abdulaziz Al-Usaimi  
Chairman

  
Ahmad Mohammed Othman Al-Quraishi  
Chief Executive Officer



The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Sokok Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2020

Attributable to equity holders of the Parent Company

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Treasury Shares KD	Effect of changes in OCI of associates KD	Foreign currency translation reserve KD	Fair value reserve KD	Other reserves KD	Accumulated losses KD	Sub-total KD	Non-controlling interests KD	Total equity KD
As at 1 January 2019	59,314,500	2,895,475	2,895,475	(1,769,871)	(1,868,513)	53,916	(3,933,038)	(272,250)	(11,649,466)	45,666,228	751,705	46,417,933
Loss for the period	-	-	-	-	-	-	-	-	(4,953,029)	(4,953,029)	(249,726)	(5,202,755)
Other comprehensive (loss) income for the period	-	-	-	-	(76,071)	38,305	(346,172)	-	-	(383,938)	-	(383,938)
Total comprehensive (loss) income for the period	-	-	-	-	(76,071)	38,305	(346,172)	-	(4,953,029)	(5,336,967)	(249,726)	(5,586,693)
<b>At 30 June 2020</b>	<b>59,314,500</b>	<b>2,895,475</b>	<b>2,895,475</b>	<b>(1,769,871)</b>	<b>(1,944,584)</b>	<b>92,221</b>	<b>(4,279,210)</b>	<b>(272,250)</b>	<b>(16,602,495)</b>	<b>40,329,261</b>	<b>501,979</b>	<b>40,831,240</b>
As at 1 January 2019	59,314,500	2,895,475	2,895,475	(1,769,871)	(1,845,850)	55,904	(3,394,528)	(272,250)	(8,839,875)	49,038,980	1,221,944	50,260,924
Loss for the period	-	-	-	-	-	-	-	-	(553,013)	(553,013)	(17,892)	(570,905)
Other comprehensive (loss) income for the period	-	-	-	-	(4,509)	(1,180)	32,709	-	-	27,020	-	27,020
Total comprehensive (loss) income for the period	-	-	-	-	(4,509)	(1,180)	32,709	-	(553,013)	(525,993)	(17,892)	(543,885)
<b>At 30 June 2019</b>	<b>59,314,500</b>	<b>2,895,475</b>	<b>2,895,475</b>	<b>(1,769,871)</b>	<b>(1,850,359)</b>	<b>54,724</b>	<b>(3,361,819)</b>	<b>(272,250)</b>	<b>(9,392,888)</b>	<b>48,512,987</b>	<b>1,204,052</b>	<b>49,717,039</b>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Sokouk Holding Company K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 June 2020

	<i>Six months ended 30 June</i>	
	<i>2020</i>	<i>2019</i>
	<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(5,202,755)	(570,905)
<i>Adjustments to reconcile loss for the period to net cash flows:</i>		
Share of results of associates	2,779,251	290,558
Finance costs on debts and borrowings	632,474	660,021
Finance cost on lease liabilities	22,984	22,545
Provision for employees' end of service benefits	43,926	41,797
Depreciation of property and equipment and right-of-use assets	459,459	484,157
Provision for allowance for expected credit losses	192,809	-
Impairment of property and equipment	1,453,963	-
Change in fair value of investment properties	239,000	-
Gain on derecognition of right-of-use assets and lease liabilities	(19,229)	-
Amortisation of leasehold property	49,940	58,493
	<b>651,822</b>	<b>986,666</b>
<i>Changes in operating assets and liabilities:</i>		
Inventories	10,137	1,266
Accounts receivable and prepayments	1,085,437	54,321
Accounts payable and accruals	(48,762)	(147,514)
Cash flows from operating activities	<b>1,698,634</b>	<b>894,739</b>
Employees' end of service benefits paid	(36,349)	(236,550)
<b>Net cash flows from operating activities</b>	<b>1,662,285</b>	<b>658,189</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(5,096)	(245,820)
Proceeds from partial redemption in an associate	-	804,029
<b>Net cash flows (used in) from investing activities</b>	<b>(5,096)</b>	<b>558,209</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Islamic finance payables	-	(423,807)
Payment of lease liabilities	(101,440)	(71,375)
Finance costs paid	(312,721)	(613,846)
<b>Net cash flows used in financing activities</b>	<b>(414,161)</b>	<b>(1,109,028)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,243,028</b>	<b>107,370</b>
Cash and cash equivalents at 1 January	<b>3,579,465</b>	<b>2,090,867</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>4,822,493</b>	<b>2,198,237</b>
<b>Non-cash items excluded from the interim condensed consolidated statement of cash flows:</b>		
Transitional adjustment to accounts payable and accruals on adoption of IFRS 16 (adjusted with accounts payable and accruals)	-	538,466
Additions to lease liabilities (adjusted with accounts payable and accruals)	417,370	417,292
Derecognition of right-of-use assets (adjusted with additions to property and equipment)	319,440	-
Additions to right-of-use assets (adjusted with additions to property equipment)	(417,370)	(417,292)
Derecognition of lease liabilities (adjusted with accounts payable and accruals)	(338,669)	-
Transitional adjustment to property and equipment on adoption of IFRS 16 (adjusted with additions to property and equipment)	-	(538,466)

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.



# Sokouk Holding Company K.S.C.P. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

### 1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Sokouk Holding Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 27 August 2020.

The Group's annual audited consolidated financial statements for the year ended 31 December 2019 were approved by the shareholders of the Parent Company's at the annual general assembly meeting ("AGM") held on 11 June 2020. No dividends have been declared by the Parent Company.

The Parent Company is a public shareholding company incorporated and domiciled in the State of Kuwait and whose shares are publicly traded in Bursa Kuwait. The Parent Company's head office is located at ITS building 3<sup>rd</sup> Floor, Mubarak Al-Kabeer Street, Sharq and its registered postal address is at P.O. Box 29110, Safat 13152 - State of Kuwait.

The Parent Company is a subsidiary of Aref Investment Group S.A.K. (Closed) (referred to hereunder as "Aref" or the "Ultimate Parent Company"), a Kuwaiti shareholding company incorporated and domiciled in the State of Kuwait.

The principal activities of the Parent Company as per its Memorandum of Incorporation are, as follows:

- ▶ Owning shares of Kuwaiti or foreign shareholding companies or units in Kuwaiti or foreign limited liability companies, or establishing, managing, financing and sponsoring such companies.
- ▶ Financing and sponsoring entities in which the Company has an ownership interest of not less than 20% in such entities.
- ▶ Owning industrial rights such as patents, industrial trademarks, sponsoring foreign companies or any other related industrial rights and leasing such rights for the benefit of companies inside or outside State of Kuwait.
- ▶ Owning movable assets or real estates required to pursue the Company's activities within the limits acceptable by law.
- ▶ Utilising available surplus funds by investing these funds in portfolios managed by specialised parties.

All activities are conducted in accordance with Islamic Shari'a as approved by the Parent Company's Fatwa and Shari'a Supervisory Board.

### 2 FUNDAMENTAL ACCOUNTING CONCEPT AND IMPACT OF COVID-19

The COVID-19 outbreak has developed rapidly in 2020 and measures taken by various governments to contain the virus have negatively affected the economic activity and the Group's business in various significant ways.

The Group has reported cumulative losses of KD 5,202,755 for the six months ended 30 June 2020, and, as of that date, the Group's current liabilities exceeded its current assets by KD 19,674,143.

The currently known impact of COVID-19 on the Group are:

- ▶ A decline in hospitality income for the first six months of 2020 compared to the same period in 2019 by 42% due to severe travel restrictions and measures taken by the government to partially close hotels and commercial facilities for the public resulting in extremely low occupancy, loss of banquet, meeting, food and beverage revenue.
- ▶ Fair value decreases of investment properties amounting to KD 239,000 witnessed during the period.
- ▶ Rental income of KD 151,619 for the six months, down by 44% sequentially and 23% year-over-year due to lower vacancy, rent concessions provided to leases, and government measures taken to temporarily close shopping malls and commercial properties.
- ▶ Fair value decreases in financial assets at FVOCI for the first six months of 2020 by 32% since 31 December 2019, mainly due to deterioration in financial markets and respective market index.
- ▶ Share of losses from associates of KD 2,779,251 for the six months ended 30 June 2020 as a result of closure of hotels in Mecca and Medina from April 2020 until further notice.
- ▶ The Group has further incurred losses due to impairment of property and equipment of KD 1,453,963.
- ▶ Allowance for expected credit losses of trade receivables for the first six months ended 30 June 2020 for an amount of KD 192,809 in total.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
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As at and for the period ended 30 June 2020

**2 FUNDAMENTAL ACCOUNTING CONCEPT AND IMPACT OF COVID-19 (continued)**

As a result of these effects, the Group operating results have declined significantly with the major negative impact identified during the second quarter of the year. Also, the Group's liquidity headroom has been negatively impacted.

In addition to the already known effects of the COVID-19 outbreak and resulting government measures, the macroeconomic uncertainty causes disruption to economic activity, and it is unknown what the long-term impact on the Group's business will be.

Management seeks to obtain the best possible information to enable the Group to assess these risks and implement appropriate measures to respond. The Group has taken and will take a number of measures to monitor and prevent the effects of the COVID-19 virus. These measures include (but is not limited to) the following:

- ▶ Managing the Group's cash flows to ensure the continuity of operations.
- ▶ Reducing operating expenses at the Group level and deferment of non-essential capex.
- ▶ Initiate discussions with lessors to obtain lease extensions of the leasehold rights owned or managed by the Group to compensate for the periods of downtime at which such leases could be impacted due to Covid-19.

Based on the facts and circumstances known at this moment and the possible scenarios about how the COVID-19 virus and resulting government measures could evolve, management has determined that the use of the going concern assumption is warranted, but given the unpredictability of the potential impact of the outbreak, there may be material uncertainties that cast doubt on the Group's ability to operate as a going concern

Management acknowledges that uncertainty remains over the Group's ability to meet its funding requirements and to refinance or repay its banking facilities as they fall due. However, as described above, management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future (i.e. within one year after the date that the financial statements are issued)

If for any reason the Group is unable to continue as a going concern, then this could have an impact on the Group's ability to realise assets at their recognised values, and to extinguish liabilities in the normal course of business at the amounts stated in the interim condensed consolidated financial information.

**3 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

**3.1 Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*".

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual audited consolidated financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements as at 31 December 2019.

The Group presents its statement of financial position in order of liquidity. An analysis in respect of recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 12.

**3.2 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

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

**3.2 New standards, interpretations and amendments adopted by the Group**

**Amendments to IFRS 3: *Definition of a Business***

The amendment to IFRS 3 clarifies that to be considered a business, an integrated 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 output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial information of the Group, but may impact future periods should the Group enter into any business combinations.

**Amendments to IAS 1 and IAS 8: *Definition of Material***

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial information of, nor is there expected to be any future impact to the Group.

**Conceptual Framework for Financial Reporting issued on 29 March 2018**

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the interim condensed consolidated financial information of the Group.

**Amendments to IFRS 16 *Covid-19 Related Rent Concessions***

On 28 May 2020, the IASB issued *Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases*. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the interim condensed consolidated financial information of the Group.

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 4 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit (loss) for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit (loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
(Loss) profit for the period attributable to equity holders of the Company (KD)	<b>(4,320,568)</b>	39,546	<b>(4,953,029)</b>	(553,013)
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period	<b>571,645,336</b>	571,645,336	<b>571,645,336</b>	571,645,336
<b>Basic and diluted (loss) profit per share (fils)</b>	<b>(7.56)</b>	0.07 fils	<b>(8.66)</b>	(0.97)

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

#### 5 INVESTMENT PROPERTIES

	<i>30 June</i>	<i>(Audited)</i>	<i>30 June</i>
	<i>2020</i>	<i>31 December</i>	<i>30 June</i>
	<i>KD</i>	<i>2019</i>	<i>2019</i>
		<i>KD</i>	<i>KD</i>
Opening balance at 1 January	<b>5,380,000</b>	5,400,000	5,400,000
Net loss from fair value remeasurement	<b>(239,000)</b>	(20,000)	-
Closing balance at the end of the period/ year	<b>5,141,000</b>	5,380,000	5,400,000

Investment properties comprise of residential properties located in the State of Kuwait.

The fair value of investment properties was independently determined at 31 December 2019 by accredited independent valuers who are specialised in valuing such type of properties using a mix of income capitalisation method and the market comparison approach considering the nature usage of each property.

As at the reporting date, management has revisited these valuations and obtained external appraisals to ensure that they appropriately reflect the impact of recent COVID-19 related events.

For the current period, as a result of the recent outbreak of COVID-19, management acknowledges that there is increased uncertainty to input factors on the fair value of investment properties, including capitalisation rates and discount rates, due to a lack of market transactions since early March 2020. Management has made general assumptions to sensitize cash flows based on expected scenarios which are anticipated to occur over the near- and mid-term period. The Group has assessed each of its property classes to determine the level of impact on cash flows after taking into account upcoming quarter rent collection rates, renewal percentages, and the credit quality of its tenant base. It is likely that there will be further cash flow and valuation metric changes in future periods as new information related to the pandemic are understood, including the continued impact on tenants as well as the evolution of government restrictions and travel limitations.

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 5 INVESTMENT PROPERTIES (continued)

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Rental income derived from investment properties	63,010	107,380	168,990	215,340
Direct operating expenses (including repairs and maintenance) generating rental income	(8,352)	(9,115)	(17,371)	(18,566)
<b>Net rental income from investment properties</b>	<b>54,658</b>	<b>98,265</b>	<b>151,619</b>	<b>196,774</b>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

#### 6 INVESTMENT IN ASSOCIATES

Details of associates are set out below:

Name	<i>% equity interest</i>			<i>Carrying amount</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2020</i>	<i>2019</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Munshaat Real Estate Projects Company K.S.C.P. ("Munshaat")*	27.67%	27.67%	27.67%	8,067,558	9,753,949	9,109,538
Qitaf Joint Venture ("Qitaf")	36.43%	36.43%	36.43%	2,116,759	2,439,333	2,509,337
The Zamzam 2013 JV ("Zamzam")	23.48%	23.48%	23.48%	15,733,600	16,541,652	18,080,853
				<b>25,917,917</b>	<b>28,734,934</b>	<b>29,699,728</b>

#### *Legal claim contingency with respect to an associate*

During the year 2015, the contractor of one of the properties of Munshaat situated in the Kingdom of Saudi Arabia has claimed a penalty of SAR 501 million (equivalent to KD 41 million) from Munshaat for the delay in the execution of the project and various other related costs and Munshaat has counter claimed an amount of SAR 627 million (equivalent to KD 51 million) on the same contractor for the delay in handing over the project and the operational losses. The dispute has been referred to Saudi Arbitration Committee ("SAC") and as on the date of these interim consolidated financial information, the trial proceedings and hearings are still in progress. However due to the considerable discrepancy in the technical reports submitted by the two parties in dispute, a specialised technical expert was appointed by SAC whose final report issued on 2 February 2020 supported the Parent Company's position to a large extent.

Munshaat has been advised by its legal counsel that it is only possible, but not probable, that the action against Munshaat will succeed. Accordingly, Munshaat has not recognised any provision for any liability has been made in its interim condensed consolidated financial information.

#### *Impairment assessment*

Investment in associates is subject to impairment for which the Group had carried out an annual assessment as at 31 December 2019. The assessment was conducted by determining the value in use ("VIU") of the underlying properties located in the Kingdom of Saudi Arabia using a discounted cash flow model. These valuations were performed by accredited independent valuers with relevant professional qualification and with recent experience in the location and category of properties being valued.

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 6 INVESTMENT IN ASSOCIATES (continued)

As indicated in Note 2, with the recent developments of the pandemic, the associates decided to cease its hotel operations in Mecca and Medina until further notice, hence there are both external and internal sources of information indicating that certain non-financial assets held by the associates may trigger the requirement for impairment tests. The Group has engaged an accredited external independent valuer (“external expert”) to assist in the impairment assessment of certain non-financial assets held by the associates; however, the external expert has not completed the exercise as at the authorisation date of this interim condensed consolidated financial information.

The Group acknowledges that certain geographies and sectors in which these assets are located are negatively impacted, and as the situation continues to unfold, the Group will continuously monitor the market outlook and use relevant assumptions in reflecting the values of these non-financial assets as and when they occur.

#### 7 PROPERTY AND EQUIPMENT

The hospitality sector has had the most immediate and acute impact from COVID-19 as the hotel operated by the Group was temporarily closed, and currently remains closed for the public as a result of severe travel restrictions and mandatory closure orders from government authorities. As a result of this closure, the Group identified an impairment indicator and have performed an impairment test for a leased property (land and buildings) classified as a finance lease with a carrying amount of KD 27,012,175 (31 December 2019: KD 28,805,828, 30 June 2019: KD 32,170,975).

Based on management assessment and the valuation performed by an independent real estate valuer with recent experience in the location and category of the leased property being valued, the Group recognised an impairment loss of KD 1,453,963 to write-down the carrying amount of the leased property to its recoverable amount. This was recognised separately in the statement of profit or loss for the period ended 30 June 2020.

Land and buildings with a carrying amount of KD 27,012,175 (31 December 2019: KD 28,805,828, 30 June 2019: KD 32,170,975) are subject to a first charge to secure the Group’s Islamic finance payables (Note 9).

The Group’s financing arrangements expired and the debt outstanding of KD 21,000,000 was payable on 30 June 2020 as disclosed in Note 9. The Group was not able to conclude re-negotiations with the lender or obtain replacement financing as at the authorisation date of this interim condensed consolidated financial information. As a result, the lender requested the Group on 10 August 2020 to hand over and transfer the leased property with immediate effect to settle the outstanding debt.

The Group is still in the process of negotiating the hand over terms with the lender and no final conclusion has been reached as of date. Management acknowledges that a material uncertainty remains that could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### 8 SHARE CAPITAL AND TREASURY SHARES

##### 8.1. Share capital

At 30 June 2020, the authorised, issued and fully paid-up capital of the Parent Company comprises of 593,145,000 (31 December 2019: 593,145,000 and 30 June 2019: 593,145,000) shares of 100 fils each. All shares are paid in cash.

##### 8.2. Treasury shares

	30 June 2020	(Audited) 31 December 2019	30 June 2019
Number of treasury shares	21,499,664	21,499,664	21,499,664
Percentage of share capital	3.60%	3.60%	3.6%
Cost of treasury shares – KD	1,769,871	1,769,871	1,769,871
Market value – KD	537,492	752,488	730,989
Weighted average market price – fils	32.0	38.7	40.7

Reserves equivalent to the cost of the treasury shares held are not available for distribution during the holding period of such shares as per CMA guidelines.

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 9 ISLAMIC FINANCE PAYABLES

			<i>(Audited)</i>		
	<i>Currency</i>	<i>Effective interest rate (EIR)</i>	<i>30 June 2020 KD</i>	<i>31 December 2019 KD</i>	<i>30 June 2019 KD</i>
Secured	Kuwaiti Dinar	6%	<b>24,056,782</b>	23,737,029	24,487,782

Islamic finance payable amounting to KD 24,056,782 (31 December 2019: KD 23,737,029 and 30 June 2019: KD 24,487,782) represent facilities obtained from local financial institutions and are secured by property and equipment amounting to KD 27,012,175 (31 December 2019: KD 28,805,828, 30 June 2019: KD 32,170,975) (Note 7) and investment properties amounting to KD 5,141,000 (31 December 2019: KD 5,380,000 and 30 June 2019: KD 5,400,000) (Note 5).

The Group's financing arrangements expired and the debt outstanding of KD 21,000,000 was payable on 30 June 2020 as disclosed in Note 7. The Group was not able to conclude re-negotiations with the lender or obtain replacement financing as at the authorisation date of this interim condensed consolidated financial information. As a result, the lender requested the Group on 10 August 2020 to hand over and transfer the leased property with immediate effect to settle the outstanding debt.

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 10 RELATED PARTY DISCLOSURES

Related parties represent the Ultimate Parent Company, major shareholders, associates, directors and key management personnel of the Group, and companies of which they are principal owners or over which they are able to exercise significant influence or joint control. Pricing policies and terms of these transactions are approved by the Parent Company's management.

The following table provides the total amount of transactions that have been entered into with related parties during the six months periods ended June 2020 and 2019, as well as balances with related parties as at 30 June 2020, 31 December 2019 and 30 June 2019.

	<i>Six months ended</i>			
	<i>Major shareholder of the Ultimate Parent Company</i>	<i>Associates</i>	<i>30 June 2020</i>	<i>30 June 2019</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b><i>Statement of profit or loss:</i></b>				
Management fees	-	27,240	27,240	34,437
Finance costs	44,128	-	44,128	64,912
	<i>Major shareholder of the Ultimate Parent Company</i>	<i>Associates</i>	<i>(Audited)</i>	<i>30 June 2019</i>
	<i>KD</i>	<i>KD</i>	<i>31 December 2019</i>	<i>KD</i>
<b><i>Statement of financial position:</i></b>				
Receivables from related parties	-	93,759	11,633	58,662
Payables to related parties	-	1,081	128,372	158,979
Islamic finance payables	1,541,157	-	1,541,157	1,497,029
	<i>Major shareholder of the Ultimate Parent Company</i>	<i>Associates</i>	<i>Others</i>	<i>30 June 2019</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b><i>Key management compensation</i></b>				
Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.				
The aggregate value of transactions and balances outstanding related to key management personnel were as follows:				
	<i>Transaction values for the three months ended</i>	<i>Transaction values for the six months ended</i>	<i>Balance outstanding as at</i>	
	<i>30 June 2020</i>	<i>30 June 2020</i>	<i>(Audited)</i>	<i>30 June 2019</i>
	<i>KD</i>	<i>KD</i>	<i>31 December 2019</i>	<i>KD</i>
Salaries and other short-term benefits	36,325	73,576	47,982	35,715
End of service benefits	2,682	4,117	77,102	105,319
	<u>39,007</u>	<u>77,693</u>	<u>125,084</u>	<u>141,034</u>



## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 11 SEGMENT INFORMATION

For management purposes, the Parent Company is organised into three major business segments. The principal activities and services under these segments are as follows:

- ▶ Investment : Managing direct investments and investments in subsidiaries and associates;
- ▶ Real estate : Managing investment properties; and
- ▶ Hotel operations : Consist of the hospitality services provided through the Millennium hotel and convention center, Kuwait.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on return on investments. The Group does not have any inter-segment transactions.

The following table presents segment revenue, expenses, results information of the Group's operating segments for the six months ended 30 June 2020 and 2019:

	<i>Hotel operations KD</i>	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>Six months ended 30 June 2020</i>					
Segment revenue	1,498,136	170,848	(2,750,381)	36,246	(1,045,151)
Segment expenses	(3,555,551)	(388,380)	-	(213,673)	(4,157,604)
Segment results	<u>(2,057,415)</u>	<u>(217,532)</u>	<u>(2,750,381)</u>	<u>(177,427)</u>	<u>(5,202,755)</u>
<i>Six months ended 30 June 2019</i>					
Segment revenue	2,597,478	196,774	(290,558)	48,744	2,552,438
Segment expenses	(2,665,303)	(202,818)	-	(255,222)	(3,123,343)
Segment results	<u>(67,825)</u>	<u>(6,044)</u>	<u>(290,558)</u>	<u>(206,478)</u>	<u>(570,905)</u>

The following table presents assets and liabilities for the Group's operating segments as at 30 June 2020, 31 December 2019 and 30 June 2019, respectively:

	<i>Hotel operations KD</i>	<i>Real estate KD</i>	<i>Investment KD</i>	<i>Others KD</i>	<i>Total KD</i>
<i>As at 30 June 2020</i>					
Total assets	<u>28,528,936</u>	<u>7,582,738</u>	<u>30,405,466</u>	<u>500,467</u>	<u>67,017,607</u>
Total liabilities	<u>24,103,101</u>	<u>1,514,573</u>	<u>-</u>	<u>568,693</u>	<u>26,186,367</u>
<i>As at 31 December 2019 (Audited)</i>					
Total assets	<u>30,457,772</u>	<u>7,793,559</u>	<u>32,557,586</u>	<u>1,516,570</u>	<u>72,325,487</u>
Total liabilities	<u>23,846,945</u>	<u>260,022</u>	<u>1,240,000</u>	<u>560,587</u>	<u>25,907,554</u>
<i>As at 30 June 2019</i>					
Total assets	<u>33,923,387</u>	<u>8,027,781</u>	<u>33,791,273</u>	<u>463,778</u>	<u>76,206,219</u>
Total liabilities	<u>24,018,663</u>	<u>302,546</u>	<u>1,670,019</u>	<u>497,952</u>	<u>26,489,180</u>

Sokouk Holding Company K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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12 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The maturity profile of assets and liabilities are, as follows:

<i>30 June 2020</i>	<i>Within 1 year KD</i>	<i>After 1 year KD</i>	<i>Total KD</i>
<b>ASSETS</b>			
Cash and cash equivalents	4,822,493	-	4,822,493
Inventories	52,609	-	52,609
Accounts receivable and prepayments	635,501	200,000	835,501
Investment properties	-	5,141,000	5,141,000
Leasehold property	-	1,697,954	1,697,954
Financial assets at FVOCI	-	723,813	723,813
Investment in associates	-	25,917,917	25,917,917
Property and equipment	-	27,826,320	27,826,320
<b>TOTAL ASSETS</b>	<b>5,510,603</b>	<b>61,507,004</b>	<b>67,017,607</b>
<b>LIABILITIES</b>			
Islamic finance payables	24,056,782	-	24,056,782
Accounts payable and accruals	1,127,964	622,207	1,750,171
Employees' end of service benefits	-	379,414	379,414
<b>TOTAL LIABILITIES</b>	<b>25,184,746</b>	<b>1,001,621</b>	<b>26,186,367</b>
<b>NET LIQUIDTY GAP</b>	<b>(19,674,143)</b>	<b>60,505,383</b>	<b>40,831,240</b>
<i>31 December 2019 (Audited)</i>	<i>Within 1 year KD</i>	<i>Over 1 year KD</i>	<i>Total KD</i>
<b>ASSETS</b>			
Cash and cash equivalents	3,579,465	-	3,579,465
Inventories	62,746	-	62,746
Accounts receivable and prepayments	1,913,747	200,000	2,113,747
Investment properties	-	5,380,000	5,380,000
Leasehold property	-	1,747,894	1,747,894
Financial assets at FVOCI	-	1,069,985	1,069,985
Investment in associates	-	28,734,934	28,734,934
Property and equipment	178,885	29,457,831	29,636,716
<b>TOTAL ASSETS</b>	<b>5,734,843</b>	<b>66,590,644</b>	<b>72,325,487</b>
<b>LIABILITIES</b>			
Islamic finance payables	22,537,064	1,199,965	23,737,029
Accounts payable and accruals	1,178,647	620,041	1,798,688
Employees' end of service benefits	-	371,837	371,837
<b>TOTAL LIABILITIES</b>	<b>23,715,711</b>	<b>2,191,843</b>	<b>25,907,554</b>
<b>NET LIQUIDTY GAP</b>	<b>(17,980,868)</b>	<b>64,398,801</b>	<b>46,417,933</b>

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 12 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (continued)

30 June 2019	Within 1 year KD	After 1 year KD	Total KD
<b>ASSETS</b>			
Cash and cash equivalents	2,198,237	-	2,198,237
Inventories	60,631	-	60,631
Accounts receivable and prepayments	1,097,573	200,000	1,297,573
Investment properties	-	5,400,000	5,400,000
Leasehold property	-	2,047,247	2,047,247
Financial assets at FVOCI	-	2,142,588	2,142,588
Investment in associates	-	29,699,728	29,699,728
Property and equipment	-	33,360,215	33,360,215
<b>TOTAL ASSETS</b>	<b>3,356,441</b>	<b>72,849,778</b>	<b>76,206,219</b>
<b>LIABILITIES</b>			
Islamic finance payables	23,012,817	1,474,965	24,487,782
Accounts payable and accruals	988,057	710,676	1,698,733
Employees' end of service benefits	-	302,665	302,665
<b>TOTAL LIABILITIES</b>	<b>24,000,874</b>	<b>2,488,306</b>	<b>26,489,180</b>
<b>NET LIQUIDTY GAP</b>	<b>(20,644,433)</b>	<b>70,361,472</b>	<b>49,717,039</b>

#### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

All financial assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorised 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

For assets and liabilities that are recognised in the interim condensed consolidated financial information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

#### Valuation methods and assumptions

The following methods and assumptions were used to estimate the fair values:

##### *Financial assets at FVOCI - Unquoted equity investments*

The Group invests in equity investments that are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Fund uses a market-based valuation technique for these positions. The Group's determines comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate trading multiple for each comparable company identified. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the book value of the investee company to measure the fair value. The Group classifies the fair value of these investments as Level 3.

## Sokouk Holding Company K.S.C.P. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2020

#### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

##### *Other financial assets and liabilities*

Fair value of other financial instruments at amortised cost is not materially different from their carrying values, at the reporting date, as most of these instruments are of short-term maturity or re-priced immediately based on market movement in profit rates.

##### **Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy:**

	<i>Non-quoted equity investments</i>		
	<i>30 June</i>	<i>31 December</i>	<i>30 June</i>
	<i>2020</i>	<i>2019</i>	<i>2019</i>
As at 1 January 2019	<b>1,069,985</b>	2,109,879	2,109,879
Remeasurement recognised in OCI	<b>(346,172)</b>	(847,710)	32,709
Redemptions	-	(192,184)	-
	<b>723,813</b>	1,069,985	2,142,588

##### **Description of significant unobservable inputs to valuation**

Unquoted equity security is fair valued based on the price to book value multiples approach and adjusted with discount for lack of marketability (DLOM).

The Group has performed a sensitivity analysis to the range of significant unobservable inputs used in the fair value measurements during the period. Based on such analysis, there is no material impact on the interim condensed financial information.

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