

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**And its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)**  
**And Review Report for the Six Month Period Ended 30 June 2020**

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**and its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)**  
**And Review Report for the Six Month Period Ended 30 June 2020**

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**Review Report on the Interim Condensed Consolidated Financial Information**  
**The Board of Directors**  
**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**State of Kuwait**

*Introduction*

We have reviewed the interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Co. K.S.C. (Public) ("The Parent Company") and its subsidiaries (together referred to as "the Group") which comprise the interim condensed consolidated statement of financial position as at 30 June 2020, and the interim condensed consolidated statements of income and other comprehensive income, changes in equity, and cash flows for the six month period then ended. The preparation and fair presentation of this interim condensed consolidated financial information is the responsibility of the Parent Company's management in accordance with IAS 34: (Interim Financial Reporting). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

*Scope of review*


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

*Conclusion*

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

**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 nothing has come to our attention indicating any contravention during the six month period ended 30 June 2020, of the Companies Law No. 1 of 2016, and its executive regulations, as amended, nor 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 of the Group or its interim condensed consolidated financial position.



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**Faisal Saqer Al Saqer**  
**License No. 172 "A"**  
**BDO Al Nisf & Partners**

**Kuwait: 11 August 2020**

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**and its subsidiaries**  
**State of Kuwait**

**Interim condensed consolidated statement of financial position (unaudited)**  
As at 30 June 2020

		30 June 2020	31 December 2019 (audited)	30 June 2019
	Notes	KD	KD	KD
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		794	941	284,126
Right of use		-	-	150
Intangible assets		-	-	251,250
Investment properties	3	3,885,000	3,885,000	13,453,000
Financial assets at fair value through other comprehensive income		-	-	1
Due from a related party	4	5,419,073	401,380	-
		<u>9,304,867</u>	<u>4,287,321</u>	<u>13,988,527</u>
<b>Current assets</b>				
Inventories		-	-	469,164
Trade and other receivables	5	3,259,869	10,234,409	5,701,799
Financial assets at fair value through profit or loss	6	2,967,388	487,606	-
Cash and bank balances	7	124,318	569,542	2,567,715
		<u>6,351,575</u>	<u>11,291,557</u>	<u>8,738,678</u>
<b>Total assets</b>		<u>15,656,442</u>	<u>15,578,878</u>	<u>22,727,205</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		14,650,000	14,650,000	14,650,000
Statutory reserve		866,845	866,845	866,845
Voluntary reserve		866,845	866,845	866,845
Change of fair value reserve for financial assets at fair value through other comprehensive income		-	-	(705)
Accumulated losses		(867,759)	(960,025)	(902,570)
<b>Equity attributable to the Parent Company's shareholders</b>		<u>15,515,931</u>	<u>15,423,665</u>	<u>15,480,415</u>
Non-controlling interests		2,298	1,078	25,355
<b>Total equity</b>		<u>15,518,229</u>	<u>15,424,743</u>	<u>15,505,770</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Employees' end of service indemnity		23,122	25,034	146,068
Due to related parties	4	-	-	4,987,678
		<u>23,122</u>	<u>25,034</u>	<u>5,133,746</u>
<b>Current liabilities</b>				
Ijara payables		-	-	1,905,736
Other credit balances		115,091	129,101	181,953
		<u>115,091</u>	<u>129,101</u>	<u>2,087,689</u>
<b>Total liabilities</b>		<u>138,213</u>	<u>154,135</u>	<u>7,221,435</u>
<b>Total equity and liabilities</b>		<u>15,656,442</u>	<u>15,578,878</u>	<u>22,727,205</u>

The notes on pages 6 to 13 form an integral part of this interim condensed consolidated financial information.

**Ahmad Abdurazzaq Albahr**  
Chairman

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**and its subsidiaries**  
**State of Kuwait**

**Interim Condensed Consolidated Statement of Income and Other Comprehensive Income (Unaudited)**  
For the six month period ended 30 June 2020

	Notes	Three months ended 30 June		Six months ended 30 June	
		2020	2019	2020	2019
		KD	KD	KD	KD
Operating income		-	111,788	-	254,341
Operating cost		-	(109,058)	-	(213,520)
<b>Gross profit</b>		-	2,730	-	40,821
Net rental income	8	31,583	335,644	101,491	729,802
Other income		-	6,988	1,670	7,206
Gain on sale of investment properties		-	209,000	-	190,000
Unrealized losses from financial assets at fair value through profit or loss		(21,779)	-	(175,480)	-
Realized profits on sale of financial assets at fair value through profit or loss		140,705	-	173,265	-
Cash dividends from financial assets at fair value through profit or loss		124,225	-	124,225	-
Provision for expected credit loss - accrued rentals		(72,750)	-	(72,750)	-
General and administrative expenses		(26,546)	(134,590)	(52,873)	(254,318)
Finance costs		-	(25,059)	-	(52,950)
Depreciation and amortization		(73)	(11,418)	(147)	(22,932)
<b>Profit for the period before NLST and Zakat</b>		175,365	383,295	99,401	637,629
National Labor Support Tax		(4,225)	(10,967)	(4,225)	(15,886)
ZAKAT		(1,690)	(4,386)	(1,690)	(6,354)
<b>Net profit for the period</b>		169,450	367,942	93,486	615,389
Other comprehensive income		-	-	-	-
<b>Total other comprehensive income for the period</b>		169,450	367,942	93,486	615,389
<b>Attributable to:</b>					
Shareholders of the Parent Company		167,019	366,832	92,266	613,186
Non-controlling interests		2,431	1,110	1,220	2,203
<b>Net profit for the period</b>		169,450	367,942	93,486	615,389
Basic and diluted earnings per share for the period attributable to the Parent Company's shareholders (fils)	9	1.14	2.50	0.63	4.19

The notes on pages 6 to 13 form an integral part of this interim condensed consolidated financial information.

Dar Al-Thuraya Real Estate Co. K.S.C. (Public)  
and its subsidiaries  
State of Kuwait

Interim condensed consolidated statement of changes in equity (unaudited)  
For the six month period ended 30 June 2020

	Share capital KD	Statutory reserve KD	Voluntary reserve KD	Change of fair value reserve for financial assets at fair value through other comprehensive income KD	Accumulated losses KD	Equity attributable to the Parent Company's shareholders KD	Non-controlling interests KD	Total equity KD
As at 1 January 2020	14,650,000	866,845	866,845	-	(960,025)	15,423,665	1,078	15,424,743
Total comprehensive income for the period	-	-	-	-	92,266	92,266	1,220	93,486
As at 30 June 2020	14,650,000	866,845	866,845	-	(867,759)	15,515,931	2,298	15,518,229
As at 1 January 2019	14,650,000	866,845	866,845	(705)	(1,515,756)	14,867,229	23,152	14,890,381
Total comprehensive income for the period	-	-	-	-	613,186	613,186	2,203	615,389
As at 30 June 2019	14,650,000	866,845	866,845	(705)	(902,570)	15,480,415	25,355	15,505,770

The notes on pages 6 to 13 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
**and its subsidiaries**  
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**Interim condensed consolidated statement of cash flows (unaudited)**  
For the six month period ended 30 June 2020

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	KD	KD
<b>Operating activities</b>		
Net profit for the period	93,486	615,389
<i>Adjustments for:</i>		
Depreciation and amortization	147	22,932
Finance costs	-	52,950
Gain on sale of investment properties	-	(190,000)
Unrealized losses from financial assets at fair value through profit or loss	175,480	-
Realized profits on sale of financial assets at fair value through profit or loss	(173,265)	-
Cash dividends from financial assets at fair value through profit or loss	(124,225)	-
Provision for expected credit loss - accrued rentals	72,750	-
Employees' end of service indemnity	(793)	28,468
	<u>43,580</u>	<u>529,739</u>
<i>Changes in working capital:</i>		
Due from/to related parties - net	(5,017,693)	(1,020,695)
Inventories	-	(504)
Trade and other receivables	(13,985)	(32,046)
Other credit balances	(14,010)	(24,044)
<b>Cash used in operations</b>	<u>(5,002,108)</u>	<u>(547,550)</u>
Payment of employees' end of service indemnity	(1,119)	(76,078)
<b>Net cash flows used in operating activities</b>	<u>(5,003,227)</u>	<u>(623,628)</u>
<b>Investing activities</b>		
Proceeds from sale of subsidiary	7,000,000	-
Payment for purchase of financial assets at fair value through profit or loss	(5,844,631)	-
Proceeds from sale of financial assets at fair value through profit or loss	3,362,634	-
Paid for the acquisition of property, plant and equipment	-	(1,706)
Proceeds from sale of investment properties	40,000	1,200,000
<b>Net cash flows generated from investing activities</b>	<u>4,558,003</u>	<u>1,198,294</u>
<b>Financing activities</b>		
Finance costs paid	-	(95)
<b>Net cash flows used in financing activities</b>	<u>-</u>	<u>(95)</u>
Net (decrease)/ increase in cash and bank balances	(445,224)	574,571
Cash and bank balances at the beginning of the period	569,542	1,993,144
<b>Cash and bank balances at end of the period (Note 7)</b>	<u>124,318</u>	<u>2,567,715</u>

The Group has the following non-cash transactions during the period, which is not reflected in the interim condensed consolidated statement of cash flows:

<b>Non-cash transactions</b>	<b>Note</b>	<b>Six months ended 30 June</b>	
		<b>2020</b>	<b>2019</b>
		KD	KD
Amounts due from sale of investment properties	5	-	5,060,000

The notes on pages 6 to 13 form an integral part of this interim condensed consolidated financial information.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)  
and its subsidiaries  
State of Kuwait**

**Notes to the interim condensed consolidated financial information (unaudited)  
For the six month period ended 30 June 2020**

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**1. General Information**

Dar Al-Thuraya Real Estate Co. K.S.C. (Public) (the "Parent Company") was incorporated on 30 May 2004 in accordance with provisions of Kuwait Companies Law, and was registered at the commercial register on 5 June 2004 under No. 101003.

The objectives for which the Company is established in accordance with the Islamic Sharia are as follows:

- Owning, selling, purchasing, developing real estate and land plots for the Company's account in the State of Kuwait or abroad in addition to third party management, without violation of the provisions stipulated in the applicable laws, and their restriction on trading in private housing plots as stated there in.
- Acquiring, selling and purchasing shares and bonds of the real estate companies only in favour of the Company inside and outside Kuwait.
- Preparing studies and providing consultancy in real estate sector in all its types provided that meeting the required terms as for who carries out this profession.
- Carrying out maintenance works related to the buildings and properties owned by the Company and others, including maintenance works and carrying out civil, mechanical and electrical works, elevators and air conditioning works in such a way that maintains buildings and their safety.
- Organizing real estate exhibitions for the Company's real estate projects in accordance with the regulations applied in the Ministry.
- Arranging real estate auctions as per the Ministry regulations.
- Acquisition and management of commercial and residential complexes.
- Using the financial surplus available with the Company via investing the same in portfolios managed by specialized companies and entities.
- Direct contribution in the infrastructure of residential, commercial and industrial areas and projects through (B.O.T) system and management of real estate facilities under the same system.

The Parent Company carries out the above activities directly in the State of Kuwait and abroad, for itself or through agency. The Company may have interest or participate in entities with similar activities or that may help the Company achieving its objectives inside Kuwait or abroad. The Company may also establish, participate in, or purchase these entities or affiliate them.

The Parent Company's shares were listed on Boursa Kuwait on 18 August 2009.

The address of the Company's registered office is P.O. Box, 1376, Safat 13014, State of Kuwait.

The interim condensed consolidated financial information includes the financial statements of the Parent Company and its subsidiaries (together referred to as "the Group").

The Parent Company is a subsidiary of Al Madar Finance and Investment Company K.S.C. (Public) (the "Parent Company") which is listed on the Boursa Kuwait, and is a subsidiary of Al Thekair General Trading and Contracting Company S.P.C. ("Ultimate Parent Company").

The interim condensed consolidated financial information of Dar Al-Thuraya Real Estate Co. K.S.C. (Public) and its subsidiaries ("the Group") for the six month period ended 30 June 2020 were authorized for issue by the Parent Company's board of directors on 11 August 2020.



**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**Notes to the interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2020

**2. Basis of preparation**

This 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 notes required for complete annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for fair presentation have been included.

Operating results for the six month 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 information, please refer to the Company's annual audited consolidated financial statements for the year ended 31 December 2019.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD), which is the functional currency.

**2.1 Significant accounting policies**

The accounting policies used in the preparation of the interim condensed financial information are consistent with those used in the preparation of annual financial statements for the year ended 31 December 2019. Certain amendments are effective from 1 January 2020 but do not have a material effect on the Company's interim condensed financial information. The details of such amendments are as follows:

- Amendments to IFRS 3: Definition of a Business.
- Amendments to IFRS 7, IFRS 9, IAS 39: Interest Rate Benchmark Reform.
- Amendments to IAS 1 and IAS 8: Definition of Material. Conceptual Framework for Financial Reporting.

**3. Investment properties**

	<b>30 June 2020</b>	<b>31 December 2019 (Audited)</b>	<b>30 June 2019</b>
	KD	KD	KD
<b>Investment properties</b>			
Balance at beginning of the period / year/ period	3,885,000	19,523,000	19,523,000
Additions	-	3,885,000	-
Disposals	-	(13,928,000)	(6,070,000)
Impact of disposal of a subsidiary	-	(5,595,000)	-
Balance at end of the period/year/period	<u>3,885,000</u>	<u>3,885,000</u>	<u>13,453,000</u>

An investment property was recognized based on the initial purchase contract and special power of attorney. Transfer of shares is in process during the subsequent period.

An investment property was recognized based on final title deed that is mortgaged to a local bank.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**State of Kuwait**

**Notes to the interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2020

**3. Investment properties (Continued)**

During the financial year ended 31 December 2019, the Group sold an investment property at carrying value of KD 2,272,000. Ownership of such property was not transferred until issuance date of the interim condensed consolidated financial information ended 30 June 2020.

**4. Balances and transactions with related parties**

Related parties comprise of the Group's shareholders who are members of the Board of Directors, key management personnel, and subsidiaries in which the Parent Company has representatives in their board. In the normal course of business, and subject to the approval of the Group's management, transactions were made with such parties during the period ended 30 June 2020. Balances and transactions between the Parent Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note.

Balances due from/to related parties and related party transaction are as follows:

	<u>30 June</u> <u>2020</u> KD	<u>31 December</u> <u>2019</u> <u>(Audited)</u> KD	<u>30 June</u> <u>2019</u> KD
<b>Consolidated statement of financial position:</b>			
Due from a related party (the Ultimate Parent Company)	5,419,073	401,380	-
Due to related parties	-	-	4,987,678
	<u>2020</u> KD	<u>2019</u> KD	<u>2020</u> KD
	<u>2019</u> KD	<u>2020</u> KD	<u>2019</u> KD
<b>Interim condensed consolidated statement of income:</b>			
Senior management benefits and salaries	5,403	7,484	10,792
	25,128		

- Amounts due to related parties do not carry any interest.

**Dar Al-Thuraya Real Estate Co. K.S.C. (Public)**  
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**Notes to the interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2020

**5. Trade and other receivables**

	<b>30 June 2020</b>	<b>31 December 2019 (Audited)</b>	<b>30 June 2019</b>
	KD	KD	KD
Trade receivables	251,965	148,960	591,547
Less: provision for ECLs - Trade receivables	<u>(17,000)</u>	<u>(17,000)</u>	<u>(329,389)</u>
	234,965	131,960	262,158
Accrued rentals	872,048	840,805	770,526
Less: provision for expected credit loss - accrued rentals	<u>(837,194)</u>	<u>(764,444)</u>	<u>(750,292)</u>
	34,854	76,361	20,234
Amount due from sale of investment properties (a)	2,460,000	2,500,000	5,060,000
Due from sale of subsidiary	-	7,000,000	-
Advance payments for projects	-	-	41,569
Advance payments for purchase of investment properties	480,000	480,000	84,128
Prepaid expenses	13,260	9,298	107,218
Refundable deposits	36,290	36,290	52,843
Other debit balances	500	500	73,649
	<u>3,259,869</u>	<u>10,234,409</u>	<u>5,701,799</u>

a) It represents the Group's accrued amounts from the sell of some of its investment properties during the year ended 31 December 2019 (Note 3).

Movement on provision for ECLs for accrued rentals is as follows:

	<b>30 June 2020</b>	<b>31 December 2019 (Audited)</b>	<b>30 June 2019</b>
	KD	KD	KD
Balance at 1 January	764,444	750,292	750,292
Charged during the period / year/ period	<u>72,750</u>	<u>14,152</u>	<u>-</u>
Balance at 31 December	<u>837,194</u>	<u>764,444</u>	<u>750,292</u>

Expected credit losses of accrued rentals that were determined as stated below:

<b>31 December 2019</b>	<b>Less than 90 days</b>	<b>91-180 days</b>	<b>181 – 365 days</b>	<b>More than 365 days</b>	<b>Total</b>
	KD	KD	KD	KD	KD
ECLs rate (%)	74%	81%	94%	100%	-
Expected credit loss (ECLs)	<u>15,290</u>	<u>12,604</u>	<u>785,676</u>	<u>-</u>	<u>813,570</u>

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**Notes to the interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2020

**5. Trade and other receivables (Continued)**

During the period ended 30 June 2020, a provision for expected credit losses of accrued rentals of KD 72,750 was added, accordingly, balance of provision for expected credit losses became KD 837,194 with an increase over the provision calculated based on the provision matrix with an amount of KD 23,624.

**6. Financial assets at fair value through profit or loss**

	<b>30 June 2020</b>	<b>31 December 2019 (Audited)</b>	<b>30 June 2019</b>
	KD	KD	KD
Investments in quoted local shares - investment portfolio	<u>2,967,388</u>	<u>487,606</u>	<u>-</u>

Valuation techniques of the financial assets at fair value through profit or loss are disclosed in Note 12.

**7. Cash and bank balances**

	<b>30 June 2020</b>	<b>31 December 2019 (Audited)</b>	<b>30 June 2019</b>
	KD	KD	KD
Bank balances	123,718	569,442	2,549,209
Cash on hand	600	100	18,506
	<u>124,318</u>	<u>569,542</u>	<u>2,567,715</u>

Bank balances represent unrestricted current and saving accounts.

**8. Net rental income**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	KD	KD	KD	KD
Rental income	33,203	382,275	105,733	812,642
Rental costs	<u>(1,620)</u>	<u>(46,631)</u>	<u>(4,242)</u>	<u>(82,840)</u>
	<u>31,583</u>	<u>335,644</u>	<u>101,491</u>	<u>729,802</u>

**Notes to the interim condensed consolidated financial information (unaudited)**  
**For the six month period ended 30 June 2020**

**9. Basic and diluted earnings per share for the period attributable to the Parent Company's shareholders (fils)**

Basic and diluted earnings per share is computed by dividing net profit for the period attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net profit for the period attributable to the shareholders of the Parent Company (KD)	<u>167,019</u>	<u>366,832</u>	<u>92,266</u>	<u>613,186</u>
Weighted average number of outstanding shares during the period (share)	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>	<u>146,500,000</u>
Basic and diluted earnings per share for the period attributable to the Parent Company's shareholders (fils)	<u>1.14</u>	<u>2.50</u>	<u>0.63</u>	<u>4.19</u>

**10. General assembly of shareholders**

The annual general assembly meeting of shareholders held on 5 April 2020, approved the annual consolidated financial statements of the Group for the year ended 31 December 2019 and approved not to distribute dividends to shareholders or directors' remuneration for such year.

The annual general assembly meeting of the shareholders was held on 8 April 2019 and approved the Group's annual consolidated financial statements for the year ended 31 December 2018. It also approved not to distribute dividends and not to distribute board of directors remuneration for the financial year ended 31 December 2018.

**11. Segmental information**

The management has classified the significant operating segments and services of the Group into the following operating segments under IFRS 8 as follows:

**Operating Segments**

The Group has determined the following three major business segments for internal reporting purposes:

- Investment property sector.
- Financial investment sector.
- Trading and contracting sector.

**Notes to the interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2020

**11. Segmental information (Continued)**

Financial information on business segments for the period ended 30 June is as follows:

	<u>Investment properties</u>	<u>Financial investments</u>	<u>Trading and contracting</u>	<u>Total</u>
	KD	KD	KD	KD
<b>30 June 2020</b>				
Total revenue	105,733	122,010	1,670	229,413
Segment results	101,491	122,010	(130,015)	93,486
Segment assets	804,123	3,091,706	11,760,613	15,656,442
Segment liabilities	-	-	138,213	138,213
<b>30 June 2019</b>				
Total revenue	1,002,642	7	261,547	1,264,196
Segment results	918,162	(52,943)	(249,830)	615,389
Segment assets	13,501,525	2,567,715	6,657,965	22,727,205
Segment liabilities	4,987,678	1,905,736	328,021	7,221,435

**12. Fair value disclosures**

The 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 following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (inputs relating to prices).
- Level 3: inputs are unobservable inputs for the asset or liability.

<b>30 June 2020</b>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
	KD	KD	KD
<b>Non-financial assets:</b>			
Investment properties	-	3,885,000	3,885,000
<b>Financial assets:</b>			
Financial assets at fair value through profit or loss	2,967,388	-	2,967,388
	<u>2,967,388</u>	<u>3,885,000</u>	<u>6,852,388</u>

**Notes to the interim condensed consolidated financial information (unaudited)**  
For the six month period ended 30 June 2020

**12. Fair value disclosures (Continued)**

<b>31 December 2019 (audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Non-financial assets:</b>			
Investment properties	-	3,885,000	3,885,000
<b>Financial assets:</b>			
Financial assets at fair value through profit or loss	487,606	-	487,606
	<u>487,606</u>	<u>3,885,000</u>	<u>4,372,606</u>
<b>30 June 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	<b>KD</b>	<b>KD</b>	<b>KD</b>
<b>Non-financial assets:</b>			
Investment properties	-	13,453,000	13,453,000
<b>Financial assets:</b>			
Financial assets at fair value through other comprehensive income	1	-	1
	<u>1</u>	<u>13,453,000</u>	<u>13,453,001</u>

**13. The economic situation due to Coronavirus**

Due to the current major events resulted in spread of Novel Coronavirus (COVID-19), which affected the global economic situation, local and international financial markets have been affected by decline in market prices. Consequently, the Group has been materially affected by these events, which resulted in unrealized material losses to the financial assets at fair value through profits or losses for the financial period ended 30 June 2020. Accordingly, it is difficult to compare the results of the Group's business for the financial period ended 30 June 2020 with the comparison period.

The Group considers that the time period for this event is not specified and it is difficult to anticipate any future results that might arise therefrom. Therefore, the financial impact cannot be reasonably determined on the Group's future results until the reporting date.