

**Nass Corporation BSC**  
**CONDENSED CONSOLIDATED INTERIM**  
**FINANCIAL INFORMATION**

**30 June 2021**

Nass Corporation BSC

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

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**GENERAL INFORMATION**

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|                              |  |
|------------------------------|--|
| Commercial registration      | 60037  |
| Head office                  | P.O. Box 669, Manama<br>Kingdom of Bahrain   |
| Chairman                     | Mr. Sameer Abdulla Nass  |
| Deputy Chairman              | Mr. Sami Abdulla Nass  |
| Director                     | Mr. Adel Abdulla Nass  |
| Director                     | Mr. Ghazi Abdulla Nass   |
| Director                     | Mr. Fawzi Abdulla Nass   |
| Director                     | Mr. Bashar Sameer Nass   |
| Director                     | Mr. Jamal A Al Hazeem  |
| Director                     | Mr. Hisham Al Sale   |
| Director                     | Mr. Hemant Joshi   |
| Director                     | Dr. Mustafa Al Sayed (Retired 30 March 2021)   |
| Director                     | Mr. Abdulla Nooruddin (Elected 30 March 2021)  |
| Bankers                      | HSBC Bank Middle East<br>Standard Chartered Bank<br>BNP Paribas<br>BBK<br>Ahli United Bank<br>Bahrain Islamic Bank<br>State Bank of India<br>Arab Bank<br>Kuwait Finance House<br>AlSalam Bank |
| Company Secretary            | Mr. Srinath Prabhu   |
| Corporate Governance Officer | Mr. Ramesh Panigrahi   |
| Auditors                     | KPMG Fakhro  |



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## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board of Directors  
Nass Corporation BSC  
Manama, Kingdom of Bahrain

12 August 2021

### Introduction

We have reviewed the accompanying 30 June 2021 condensed consolidated interim financial information of Nass Corporation BSC (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2021;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2021;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2021;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2021; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim 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 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 30 June 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

### Other matter


Due to the outbreak of the novel coronavirus (COVID-19) in early 2020, the Central Bank of Bahrain vide its circular OG/124/2020 dated 30 March 2020 had exempted all public shareholding companies and locally incorporated banks from preparation and publication of condensed consolidated interim financial information for the three-month period ended 31 March 2020. We have not reviewed the comparative information presented for the three-month period ended 30 June 2020 in the condensed consolidated interim financial information which has been extracted from management accounts of the Group and, accordingly we do not express any review conclusion on them.


**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2021**

Bahraini Dinars '000

|  | Note | 30 June<br>2021<br>(reviewed) | 31 December<br>2020<br>(audited) |
|--|------|-------------------------------|----------------------------------|
| <b>ASSETS</b>                                |      |                               |                                  |
| Property, plant and equipment                |      | 27,268                        | 28,120                           |
| Right-of-use assets                          |      | 4,298                         | 4,915                            |
| Equity accounted investees                   |      | 1,132                         | 1,665                            |
| Other assets                                 |      | -                             | 283                              |
| <b>Total non-current assets</b>              |      | <b>32,698</b>                 | <b>34,983</b>                    |
| Inventories                                  |      | 7,153                         | 6,963                            |
| Trade and other receivables                  | 7    | 45,408                        | 58,972                           |
| Contract assets                              | 8    | 31,045                        | 36,238                           |
| Due from related parties                     | 9    | 2,148                         | 2,814                            |
| Deposits with banks                          |      | 1,706                         | 1,304                            |
| Cash and cash equivalents                    |      | 11,322                        | 9,903                            |
| <b>Total current assets</b>                  |      | <b>98,782</b>                 | <b>116,192</b>                   |
| <b>Total assets</b>                          |      | <b>131,480</b>                | <b>151,175</b>                   |
| <b>EQUITY</b>                                |      |                               |                                  |
| Share capital                                |      | 22,000                        | 22,000                           |
| Treasury shares                              |      | (1,597)                       | (1,597)                          |
| Statutory reserve                            |      | 8,767                         | 8,767                            |
| Retained earnings                            |      | 16,903                        | 24,701                           |
| Donations and charity reserve                |      | 48                            | 56                               |
| Equity attributable to owners of the company |      | <b>46,121</b>                 | <b>53,927</b>                    |
| Non-controlling interest                     |      | 1,750                         | 2,379                            |
| <b>Total equity</b>                          |      | <b>47,871</b>                 | <b>56,306</b>                    |
| <b>Liabilities</b>                           |      |                               |                                  |
| Lease liabilities                            |      | 3,348                         | 3,506                            |
| Bank loans                                   |      | 6,971                         | 7,482                            |
| Employee benefits                            |      | 6,856                         | 6,894                            |
| <b>Total non-current liabilities</b>         |      | <b>17,175</b>                 | <b>17,882</b>                    |
| Trade and other payables                     | 10   | 27,392                        | 34,313                           |
| Lease liabilities                            |      | 1,097                         | 1,510                            |
| Contract liabilities                         |      | 7,746                         | 8,131                            |
| Employee benefits                            |      | 3,765                         | 3,871                            |
| Due to related parties                       | 9    | 8,084                         | 9,104                            |
| Bills payable                                |      | 3,167                         | 2,929                            |
| Bank loans                                   |      | 2,045                         | 2,272                            |
| Bank overdrafts                              |      | 13,138                        | 14,857                           |
| <b>Total current liabilities</b>             |      | <b>66,434</b>                 | <b>76,987</b>                    |
| <b>Total liabilities</b>                     |      | <b>83,609</b>                 | <b>94,869</b>                    |
| <b>Total equity and liabilities</b>          |      | <b>131,480</b>                | <b>151,175</b>                   |

The condensed consolidated interim financial information was approved by the Board of Directors on 12 August 2021 and signed on its behalf by:

  
Sami Abdulla Nass  
Deputy Chairman

  
Adel Abdulla Nass  
Director

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

**for the six months ended 30 June 2021**

Bahraini Dinars'000

|  | Note | Six months ended<br>30 June |                    | Three months ended<br>30 June |                      |
|--|------|-----------------------------|--------------------|-------------------------------|----------------------|
|  |      | 2021<br>(reviewed)          | 2020<br>(reviewed) | 2021<br>(reviewed)            | 2020<br>(unreviewed) |
| Revenue  | 11   | 43,889                      | 66,663             | 21,566                        | 29,434               |
| Cost of sales  |      | (41,861)                    | (63,920)           | (20,641)                      | (30,610)             |
| <b>Gross profit/ (loss)</b>  |      | <b>2,028</b>                | <b>2,743</b>       | <b>925</b>                    | <b>(1,176)</b>       |
| Other operating income, net  |      | 601                         | 321                | 275                           | 65                   |
| Government assistance  |      | 222                         | 1,810              | 222                           | 1,810                |
| General and administrative<br>expenses   | 12   | (5,591)                     | (8,430)            | (2,865)                       | (5,422)              |
| Impairment allowance on trade and<br>other receivables and contract<br>assets, net |      | (4,449)                     | (942)              | (4,420)                       | (451)                |
| Finance income   |      | 32                          | 38                 | 25                            | 11                   |
| Finance costs  |      | (559)                       | (600)              | (272)                         | (298)                |
| Share of profit/ (loss) of equity-<br>accounted investees, net                     |      | 7                           | 26                 | (8)                           | 22                   |
| <b>Loss for the period</b>   |      | <b>(7,709)</b>              | <b>(5,034)</b>     | <b>(6,118)</b>                | <b>(5,439)</b>       |
| <b>Other comprehensive income</b>  |      | <b>-</b>                    | <b>-</b>           | <b>-</b>                      | <b>-</b>             |
| <b>Total comprehensive income for<br/>the period</b>                               |      | <b>(7,709)</b>              | <b>(5,034)</b>     | <b>(6,118)</b>                | <b>(5,439)</b>       |
| <b>Attributable to:</b>  |      |                             |                    |                               |                      |
| Shareholders of the Company  |      | (7,798)                     | (5,406)            | (6,136)                       | (5,569)              |
| Non-controlling interest   |      | 89                          | 372                | 18                            | 130                  |
|  |      | <b>(7,709)</b>              | <b>(5,034)</b>     | <b>(6,118)</b>                | <b>(5,439)</b>       |
| <b>Earnings per share</b>  |      |                             |                    |                               |                      |
| Basic earnings per share (Fils)  |      | <b>(36.26)</b>              | <b>(25.13)</b>     | <b>(28.53)</b>                | <b>(25.89)</b>       |

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the six months ended 30 June 2021**

Bahraini Dirars '000

|  | Attributable to shareholders of the Company |                 |                   |                   |                               |               | Non-controlling interest | Total equity  |
|--|---|-----------------|-------------------|-------------------|-------------------------------|---------------|--------------------------|---------------|
|  | Share capital                               | Treasury shares | Statutory reserve | Retained earnings | Donations and charity reserve | Total         |                          |               |
| At 1 January                                       | 22,000                                      | (1,597)         | 8,767             | 24,701            | 56                            | 53,927        | 2,379                    | 56,306        |
| Loss and total comprehensive income for the period | -   | -               | -                 | (7,798)           | -                             | (7,798)       | 89                       | (7,709)       |
| Dividend declared for 2020                         | -   | -               | -                 | -                 | -                             | -             | (718)                    | (718)         |
| Utilization of donation and charity reserve        | -   | -               | -                 | -                 | (8)                           | (8)           | -                        | (8)           |
| <b>At 30 June</b>                                  | <b>22,000</b>                               | <b>(1,597)</b>  | <b>8,767</b>      | <b>16,903</b>     | <b>48</b>                     | <b>46,121</b> | <b>1,750</b>             | <b>47,871</b> |

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the six months ended 30 June 2021 (continued)**

Bahraini Dinars '000

|  | Attributable to equity holders of the parent |                 |                   |                   |                               |         | Non-controlling interest | Total Equity |
|--|--|-----------------|-------------------|-------------------|-------------------------------|---------|--------------------------|--------------|
|  | Share capital                                | Treasury shares | Statutory reserve | Retained earnings | Donations and charity reserve | Total   |                          |              |
| At 1 January                                       | 22,000                                       | (1,597)         | 8,767             | 27,523            | 64                            | 56,757  | 2,280                    | 59,037       |
| Loss and total comprehensive income for the period | -  | -               | -                 | (5,406)           | -                             | (5,406) | 372                      | (5,034)      |
| Dividend declared for 2019                         | -  | -               | -                 | -                 | -                             | -       | (685)                    | (685)        |
| Utilization of donation and charity reserve        | -  | -               | -                 | -                 | (7)                           | (7)     | -                        | (7)          |
| At 30 June   | 22,000                                       | (1,597)         | 8,767             | 22,117            | 57                            | 51,344  | 1,967                    | 53,311       |

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the six months ended 30 June 2021**

Bahraini Dinars '000

|   | <b>Six months ended 30 June</b>  |                                  |
|---|----------------------------------|----------------------------------|
|   | <b>2021</b><br><b>(reviewed)</b> | <b>2020</b><br><b>(reviewed)</b> |
| <b>Cash flows from operating activities</b>                           |                                  |                                  |
| Loss for the period before non-controlling interest                   | (7,709)                          | (5,034)                          |
| <i>Adjustments for:</i>   |                                  |                                  |
| Depreciation on property, plant and equipment                         | 2,709                            | 3,340                            |
| Depreciation on right of use assets                                   | 957                              | 1,232                            |
| (Reversal)/ charge for impairment of trade and other receivables, net | (408)                            | 929                              |
| Impairment on contract assets   | 4,844                            | 48                               |
| Impairment on other assets  | -                                | 171                              |
| Amortization of held to maturity investment                           | -                                | 2                                |
| Gain on disposal of property, plant and equipment                     | (426)                            | (122)                            |
| Loss on disposal of investment properties                             | -                                | 38                               |
| Share of profit from equity accounted investments, net                | (7)                              | (26)                             |
| Employee benefits   | 1,796                            | 1,930                            |
| <i>Changes in:</i>  |                                  |                                  |
| Inventories   | (190)                            | 1,863                            |
| Trade and other receivables   | 13,972                           | 2,954                            |
| Contract assets   | 347                              | 29                               |
| Due from related parties  | 666                              | 861                              |
| Trade and other payables  | (7,319)                          | (1,797)                          |
| Contract liabilities  | (385)                            | 376                              |
| Employee benefits   | (1,940)                          | (1,532)                          |
| Due to related parties  | (1,020)                          | (321)                            |
| Bills payable   | 238                              | 362                              |
| <b>Net cash generated from operating activities</b>                   | <b>6,125</b>                     | <b>5,303</b>                     |
| <b>Cash flows from investing activities</b>                           |                                  |                                  |
| Purchase of property, plant and equipment                             | (1,920)                          | (6,041)                          |
| Proceeds from sale of property, plant and equipment                   | 489                              | 205                              |
| Proceeds from sale of investment properties                           | -                                | 610                              |
| Dividend from equity accounted investee                               | 540                              | -                                |
| Movement on deposits with banks                                       | (402)                            | (457)                            |
| Maturity proceeds of other assets                                     | 283                              | -                                |
| <b>Net cash used in investing activities</b>                          | <b>(1,010)</b>                   | <b>(5,683)</b>                   |
| <b>Cash flows from financing activities</b>                           |                                  |                                  |
| Proceeds from bank loans  | 405                              | 4,871                            |
| Repayment of bank loans   | (1,143)                          | (937)                            |
| Payment of lease liabilities  | (912)                            | (894)                            |
| Dividends paid to shareholders  | -                                | (61)                             |
| Dividends paid to non-controlling shareholders                        | (319)                            | (300)                            |
| Donations paid  | (8)                              | (7)                              |
| <b>Net cash (used in)/ generated from financing activities</b>        | <b>(1,977)</b>                   | <b>2,672</b>                     |
| <b>Net increase in cash and cash equivalents</b>                      | <b>3,138</b>                     | <b>2,292</b>                     |
| Cash and cash equivalents at 1 January                                | (4,954)                          | (5,941)                          |
| <b>Cash and cash equivalents at 30 June</b>                           | <b>(1,816)</b>                   | <b>(3,649)</b>                   |
| <i>Represented by:</i>  |                                  |                                  |
| Cash and bank balances  | 7,716                            | 8,700                            |
| Short term bank deposits  | 3,606                            | 2,370                            |
| Bank overdrafts   | (13,138)                         | (14,719)                         |
|   | <b>(1,816)</b>                   | <b>(3,649)</b>                   |

The accompanying notes 1 to 15 are integral part of the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****for the six months ended 30 June 2021**

Bahraini Dinars '000

**1. REPORTING ENTITY**

Nass Corporation B.S.C. (the "Company") is a public shareholding Company listed on the Bahrain Bourse incorporated and registered in Bahrain on 9 March 2006 under commercial registration number 60037.

The Company and its subsidiaries (together the "Group") are mainly engaged in civil engineering, mechanical and electrical contracting, manufacture and supply of manpower to related contracting activities. It is also involved in the sale of ready mixed concrete, ice blocks, spare parts, foodstuff, and general trading and undertakes contracts relating to precast concrete and water supply.

The condensed consolidated interim financial information ("interim financial information") as at and for the six-month period ended 30 June 2021 includes the results of the Company and its subsidiaries (together referred to as the "Group").

**2. BASIS OF PREPARATION****a) Statement of compliance**

The condensed consolidated interim financial information has been prepared in accordance with IAS 34 – '*Interim Financial Reporting*'. These do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2020.

The condensed consolidated interim financial information is reviewed, not audited.

*Comparative information*

The condensed consolidated interim financial information is reviewed, not audited. The corresponding figures for the condensed consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2020 and the corresponding figures for the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows have been extracted from the Group's 30 June 2020 reviewed condensed consolidated interim financial information.

Due to the outbreak of the novel coronavirus (COVID-19) in early 2020, the Central Bank of Bahrain vide its circular OG/124/2020 dated 30 March 2020 had exempted all public shareholding companies and locally incorporated banks from preparation and publication of condensed consolidated interim financial information for the three-months period ended 31 March 2020. Accordingly, the comparative information for the three-months period ended 30 June 2020 included in the condensed consolidated statements of profit or loss and other comprehensive income, have been extracted from the management accounts of the Group. Hence, the comparative information included in the condensed consolidated statements of profit or loss and other comprehensive income for the three-months period ended 30 June 2020 were not reviewed.

**b) Judgments and estimates**

The preparation of condensed consolidated interim financial information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Group for the year ended 31 December 2020.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****for the six months ended 30 June 2021**

Bahraini Dinars '000

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the last audited consolidated financial statements of the Group for the year ended 31 December 2020, except for the adoption of relevant new IFRSs, amendments and interpretations issued by IASB that are effective for annual periods beginning on or after 1 January 2021. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial information.

**4. FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2020.

**5. SEASONALITY OF OPERATIONS**

Due to the nature of the Group's operations, the results reported in the condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

**6. APPROPRIATIONS**

Appropriations for the current year if any, will be made at the year end. At the Annual General Meeting (AGM) for the year 2020 held on 30 March 2021, no appropriations were made.

**7. TRADE AND OTHER RECEIVABLES**

|   | <b>30 June<br/>2021<br/>(reviewed)</b> | <b>31 December<br/>2020<br/>(audited)</b> |
|---|--|---|
| Trade receivables                         | 32,334                                 | 39,938                                    |
| Retention receivables                     | 18,466                                 | 20,395                                    |
| Advances to suppliers and sub-contractors | 1,464                                  | 3,767                                     |
| Prepaid expenses                          | 331                                    | 250                                       |
| Other receivables                         | 1,545                                  | 3,762                                     |
|   | <b>54,140</b>                          | <b>68,112</b>                             |
| Allowance for impairment losses           | (8,732)                                | (9,140)                                   |
|   | <b>45,408</b>                          | <b>58,972</b>                             |

Movement on impairment allowance is as follows:

|   | <b>2021<br/>(reviewed)</b> | <b>2020<br/>(audited)</b> |
|---|----------------------------|---------------------------|
| At beginning of the period              | 9,140                      | 8,231                     |
| (Reversal) / charge for the period, net | (408)                      | 936                       |
| Transfer                                | -                          | (27)                      |
| <b>At end of the period</b>             | <b>8,732</b>               | <b>9,140</b>              |

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2021

Bahraini Dinars '000

## 8. CONTRACT ASSETS

|  | <b>2021<br/>(reviewed)</b> | 2020<br>(audited) |
|--|----------------------------|-------------------|
| Cost incurred plus attributable profits on contracts-in-progress | 285,339                    | 300,133           |
| Progress billings made towards contracts-in-progress             | (251,817)                  | (262,815)         |
|  | <b>33,522</b>              | 37,318            |
| Allowance for impairment losses                                  | (2,477)                    | (1,082)           |
|  | <b>31,045</b>              | 36,236            |

Movement on impairment allowance is as follows:

|                             | <b>2021<br/>(reviewed)</b> | 2020<br>(audited) |
|-----------------------------|----------------------------|-------------------|
| At beginning of the period  | 1,082                      | 381               |
| Charge for the period, net  | 4,844                      | 701               |
| Write off during the period | (3,449)                    | -                 |
| <b>At end of the period</b> | <b>2,477</b>               | 1,082             |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2021**

Bahraini Dinars '000

**9. RELATED PARTY TRANSACTIONS**

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

| Related party   | Sales/ revenues            |                            | Purchase and operating expenses |                            | Amount due from            |                               | Amount due to              |                               |
|---|----------------------------|----------------------------|---------------------------------|----------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 30 June 2021<br>(reviewed) | 30 June 2020<br>(reviewed) | 30 June 2021<br>(reviewed)      | 30 June 2020<br>(reviewed) | 30 June 2021<br>(reviewed) | 31 December 2020<br>(audited) | 30 June 2021<br>(reviewed) | 31 December 2020<br>(audited) |
| A.A. Nass & Sons WLL and its related parties joint ventures | 564                        | 1,138                      | 4,907                           | 10,315                     | 1,851                      | 2,337                         | 7,718                      | 8,813                         |
|   | 2                          | 120                        | 4                               | 5                          | 297                        | 477                           | 366                        | 291                           |
| <b>Total</b>  | <b>566</b>                 | <b>1,258</b>               | <b>4,911</b>                    | <b>10,320</b>              | <b>2,148</b>               | <b>2,814</b>                  | <b>8,084</b>               | <b>9,104</b>                  |

Interest in joint ventures of BD 626 (31 December 2020: BD 1,166) represents the accumulated capital, share of profits less distribution received from the joint venture projects.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel comprise members of the Board of Directors, the Divisional Managers, the General Managers and their compensation is as follows:

|                      | 30 June 2021<br>(reviewed) | 30 June 2020<br>(reviewed) |
|----------------------|----------------------------|----------------------------|
| Short-term benefits  | 659                        | 676                        |
| Termination benefits | 22                         | 21                         |
|                      | <b>681</b>                 | <b>697</b>                 |

The short-term compensation includes provision for directors' fees of BD 46 (2020: BD 46) and board committee attendance fees BD 99 (2020: BD 104). Directors' interest in the shares of the Company was as follows:

|   | 30 June 2021<br>(reviewed) | 31 December 2020<br>(audited) |
|---|----------------------------|-------------------------------|
| Total number of shares held by Directors*                 | <b>94,150,000</b>          | <b>94,153,230</b>             |
| As a percentage of the total number of shares outstanding | <b>43.78</b>               | <b>43.78</b>                  |

\* The shares held by Directors are in their individual capacity.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

for the six months ended 30 June 2021

Bahraini Dinars '000

**10. TRADE AND OTHER PAYABLES**

|                     | <b>30 June<br/>2021<br/>(reviewed)</b> | <b>31 December<br/>2020<br/>(audited)</b> |
|---------------------|--|---|
| Trade payables      | 9,426                                  | 11,538                                    |
| Accrued expenses    | 10,786                                 | 15,246                                    |
| Unclaimed dividends | 50                                     | 50  |
| Retention payables  | 4,900                                  | 4,946                                     |
| Other payables      | 2,230                                  | 2,533                                     |
|                     | <b>27,392</b>                          | <b>34,313</b>                             |

**11. REVENUE**

|                 | <b>Six months ended 30 June</b> |                            |
|-----------------|---------------------------------|----------------------------|
|                 | <b>2021<br/>(reviewed)</b>      | <b>2020<br/>(reviewed)</b> |
| Contract income | 27,561                          | 45,546                     |
| Sales of goods  | 13,486                          | 17,533                     |
| Hire income     | 2,842                           | 3,584                      |
|                 | <b>43,889</b>                   | <b>66,663</b>              |

**12. GENERAL AND ADMINISTRATIVE EXPENSES**

|                                  | <b>Six months ended 30 June</b> |                            |
|----------------------------------|---------------------------------|----------------------------|
|                                  | <b>2021<br/>(reviewed)</b>      | <b>2020<br/>(reviewed)</b> |
| Salaries of administrative staff | 2,873                           | 2,871                      |
| Management fees                  | 780                             | 780                        |
| Receivable write off             | 85                              | 36                         |
| Depreciation                     | 448                             | 463                        |
| Commission paid                  | 84                              | 99                         |
| Vehicle expenses                 | 180                             | 173                        |
| Rent, electricity and water      | 72                              | 102                        |
| Communication                    | 74                              | 97                         |
| Directors' sitting fee           | 145                             | 150                        |
| Impairment on other assets       | -                               | 171                        |
| Inventory loss due to fire       | -                               | 1,939                      |
| COVID-19 related expenses        | 260                             | 783                        |
| Other expenses                   | 590                             | 766                        |
|                                  | <b>5,591</b>                    | <b>8,430</b>               |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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**13. OPERATING SEGMENTS**

The Group is organised into two operating divisions - Construction and Allied Activities and Trading Activities.

The *Construction and Allied Activities* are civil engineering works, mechanical fabrication and maintenance contracts, scaffolding and formwork, readymix concrete, precast, floor and roof slabs, electrical and instrumentation contracting.

The *Trading Activities* are supply of washed sand, sweet water, import and wholesaler of frozen foods, agents for equipment and material manufacturers.

|                                | Construction and allied activities |                    | Trading activities |                    | Eliminations       |                    | Consolidated       |                    |
|--------------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                | 2021<br>(reviewed)                 | 2020<br>(reviewed) | 2021<br>(reviewed) | 2020<br>(reviewed) | 2021<br>(reviewed) | 2020<br>(reviewed) | 2021<br>(reviewed) | 2020<br>(reviewed) |
|                                | <b>Six months ended 30 June</b>    |                    |                    |                    |                    |                    |                    |                    |
| External sales                 | 38,024                             | 60,071             | 5,865              | 6,592              | -                  | -                  | 43,889             | 66,663             |
| Inter-segment sales            | 4,587                              | 6,152              | 1,905              | 2,883              | (6,492)            | (9,035)            | -                  | -                  |
| <b>Total revenue</b>           | <b>42,611</b>                      | <b>66,223</b>      | <b>7,770</b>       | <b>9,475</b>       | <b>(6,492)</b>     | <b>(9,035)</b>     | <b>43,889</b>      | <b>66,663</b>      |
| Segment result                 | (6,969)                            | (2,097)            | (392)              | (2,011)            | (8)                | (97)               | (7,369)            | (4,205)            |
| Other gains and losses         | 553                                | 325                | 87                 | 60                 | -                  | -                  | 640                | 385                |
| Unallocated corporate expenses | -                                  | -                  | -                  | -                  | -                  | -                  | (980)              | (1,214)            |
| <b>Loss for the period</b>     |                                    |                    |                    |                    |                    |                    | <b>(7,709)</b>     | <b>(5,034)</b>     |

**Other Information**

|                         | Construction & Allied Activities |                                  | Trading Activities            |                                  | Consolidated                  |                                  |
|-------------------------|----------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
|                         | 30 June<br>2021<br>(reviewed)    | 31 December<br>2020<br>(audited) | 30 June<br>2021<br>(reviewed) | 31 December<br>2020<br>(audited) | 30 June<br>2021<br>(reviewed) | 31 December<br>2020<br>(audited) |
| Capital expenditure     | 847                              | 5,874                            | 1,073                         | 2,732                            | 1,920                         | 8,606                            |
| Depreciation            | 3,117                            | 7,523                            | 549                           | 1,157                            | 3,666                         | 8,680                            |
| Total assets            | 115,738                          | 133,829                          | 15,742                        | 17,346                           | 131,480                       | 151,175                          |
| Total liabilities       | 76,286                           | 87,149                           | 7,323                         | 7,720                            | 83,609                        | 94,869                           |
| <b>Total net assets</b> | <b>39,452</b>                    | <b>46,680</b>                    | <b>8,419</b>                  | <b>9,626</b>                     | <b>47,871</b>                 | <b>56,306</b>                    |

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**14. COMMITMENTS AND CONTINGENCIES**

|                     | <b>30 June<br/>2021<br/>(reviewed)</b> | <b>31 December<br/>2020<br/>(audited)</b> |
|---------------------|--|---|
| Guarantees          | <b>78,517</b>                          | 73,541                                    |
| Letters of credit   | <b>354</b>                             | 322                                       |
| Capital commitments | <b>439</b>                             | 661                                       |

The banks have provided guarantees (performance, retention, financial and others related to contracting activities) amounting to BD 78,517 (31 December 2020: BD 73,541) for the various divisions and subsidiaries of the Group.

**15. COVID-19 impact**

On 11 March 2020, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally, which continued in 2021. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Since the outbreak, the authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures.

The management and the Board of Directors have continued to monitor the COVID-19 developments and its impact on the Group's operations and financial position; including possible loss of revenue, impact on asset valuations, impairment, review of onerous contracts and debt covenants, outsourcing arrangements etc. The Board of Directors, in response to the outbreak, has also put in place contingency measures, which include but are not limited to enhancing and testing of business continuity plans and various other risk management practices including the Group's liquidity requirements.

The Board of Directors has considered the potential impacts of the current economic downturn and uncertainty involved in the determination of the reported amounts of the Group's financial and non-financial assets and liabilities in this condensed consolidated interim financial information, and they are considered to represent management's best assessment based on available and observable information. Based on their assessment, the Board of Directors is of the view that the Group will continue as a going concern entity for the next 12 months from the date of this condensed consolidated interim financial information.



**UNREVIEWED SUPPLEMENTARY DISCLOSURES**

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**Financial impact of COVID-19**

On 11 March 2020, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization (WHO) and has rapidly evolved globally. This has resulted in a global economic slowdown with uncertainties in the economic environment. Global equity and commodity markets have also experienced great volatility and a significant drop in prices. Authorities have taken various measures to contain the spread including implementation of travel restrictions and quarantine measures. The pandemic as well as the resulting measures and policies have had some impact on the Group. The Group is actively monitoring the COVID-19 situation, and in response to this outbreak, has activated its business continuity plan and various other risk management practices to manage the potential business disruption on its operations and financial performance.

The overall impact of COVID-19 on the condensed consolidated interim financial information as assessed by the Group is as below:

|  |           |
|--|-----------|
| Productivity impact on projects due to work suspension, delays etc. post emergence of COVID-19 | 171       |
| Expenses incurred on sanitizers, masks, gloves, disinfection, quarantine facilities etc.       | 128       |
| Government assistance for reimbursement of salaries of Bahraini employees                      | (222)     |
| <b>Net impact</b>  | <b>75</b> |

The above supplementary information is provided to comply with the CBB circular number OG/259/2020 (Reporting on financial impact of COVID-19), dated 14<sup>th</sup> July 2020.

The above disclosure should not be interpreted as an indication of the results of the entire year or relied upon for any other purposes. Since the situation of COVID-19 is uncertain and is still evolving, the above impact is as of the date of preparation of this information. Circumstances may change which may result in the information to be out-of-date. In addition, this information does not represent the exact full comprehensive assessment of COVID-19 impact on the Group. This information is not subject to a formal review by the external auditors.