

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

**30 June 2022**

**Nass Corporation BSC**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION  
for the six months ended 30 June 2022**

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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 Saie   |
| Director                     | Mr. Hemant Joshi   |
| Director                     | Mr. Abdulla Nooruddin  |
| Bankers                      | HSBC Bank Middle East<br>Bank of Bahrain and Kuwait<br>Ahli United Bank<br>Standard Chartered Bank<br>BNP Paribas<br>Bahrain Islamic Bank<br>State Bank of India<br>Arab Bank<br>Kuwait Finance House<br>Al Salam Bank |
| Chief Executive Officer      | Mr. Shawqi Al Hashimi  |
| 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

## To the Board of Directors

*Nass Corporation BSC*  
*Manama, Kingdom of Bahrain*

### Introduction

We have reviewed the accompanying 30 June 2022 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 2022;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2022;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2022;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2022; 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 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

11 August 2022

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2022**

Bahraini Dinars '000

|   | Note | 30 June<br>2022<br>(reviewed) | 31 December<br>2021<br>(audited) |
|---|------|-------------------------------|----------------------------------|
| <b>ASSETS</b>                                       |      |                               |                                  |
| Property, plant and equipment                       |      | 24,807                        | 25,675                           |
| Right-of-use assets                                 |      | 4,311                         | 5,301                            |
| Equity accounted investees                          |      | 972                           | 1,017                            |
| <b>Total non-current assets</b>                     |      | <b>30,090</b>                 | <b>31,993</b>                    |
| Inventories   |      | 8,341                         | 7,569                            |
| Trade and other receivables                         | 7    | 50,553                        | 51,228                           |
| Contract assets                                     | 8    | 21,173                        | 22,692                           |
| Due from related parties                            | 9    | 2,049                         | 1,201                            |
| Deposits with banks                                 |      | 352                           | 1,070                            |
| Cash and bank balances                              |      | 12,579                        | 16,579                           |
| <b>Total current assets</b>                         |      | <b>95,047</b>                 | <b>100,339</b>                   |
| <b>Total assets</b>                                 |      | <b>125,137</b>                | <b>132,332</b>                   |
| <b>EQUITY</b>                                       |      |                               |                                  |
| Share capital                                       |      | 22,000                        | 22,000                           |
| Treasury shares                                     |      | (1,597)                       | (1,597)                          |
| Statutory reserve                                   |      | 8,767                         | 8,767                            |
| Retained earnings                                   |      | 7,293                         | 6,737                            |
| Donations and charity reserve                       |      | 42                            | 48                               |
| <b>Equity attributable to owners of the Company</b> |      | <b>36,505</b>                 | <b>35,955</b>                    |
| Non-controlling interest                            |      | 1,712                         | 1,843                            |
| <b>Total equity</b>                                 |      | <b>38,217</b>                 | <b>37,798</b>                    |
| <b>Liabilities</b>                                  |      |                               |                                  |
| Lease liabilities                                   |      | 3,511                         | 4,024                            |
| Bank loans  |      | 4,643                         | 6,032                            |
| Employee benefits                                   |      | 7,210                         | 7,047                            |
| <b>Total non-current liabilities</b>                |      | <b>15,364</b>                 | <b>17,103</b>                    |
| Trade and other payables                            | 10   | 31,590                        | 33,726                           |
| Lease liabilities                                   |      | 1,083                         | 1,499                            |
| Contract liabilities                                |      | 8,771                         | 12,724                           |
| Employee benefits                                   |      | 3,276                         | 3,631                            |
| Due to related parties                              | 9    | 7,328                         | 8,150                            |
| Bills payable                                       |      | 5,097                         | 2,041                            |
| Bank loans  |      | 3,112                         | 2,695                            |
| Bank overdrafts                                     |      | 11,299                        | 12,965                           |
| <b>Total current liabilities</b>                    |      | <b>71,556</b>                 | <b>77,431</b>                    |
| <b>Total liabilities</b>                            |      | <b>86,920</b>                 | <b>94,534</b>                    |
| <b>Total equity and liabilities</b>                 |      | <b>125,137</b>                | <b>132,332</b>                   |

The condensed consolidated interim financial information was approved by the Board of Directors on 11 August 2022 and signed on its behalf by:

  
 Sameer Abdulla Nass  
 Chairman

  
 Sami Abdulla Nass  
 Deputy Chairman

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 2022**

Bahraini Dinars'000

|  | Note | Six months ended<br>30 June |                    | Three months ended<br>30 June |                    |
|--|------|-----------------------------|--------------------|-------------------------------|--------------------|
|  |      | 2022<br>(reviewed)          | 2021<br>(reviewed) | 2022<br>(reviewed)            | 2021<br>(reviewed) |
| Revenue  | 11   | 62,044                      | 43,889             | 30,791                        | 21,566             |
| Cost of sales  |      | (56,350)                    | (41,861)           | (28,004)                      | (20,641)           |
| <b>Gross profit</b>  |      | <b>5,694</b>                | <b>2,028</b>       | <b>2,787</b>                  | <b>925</b>         |
| Other operating income, net  |      | 425                         | 601                | 169                           | 275                |
| Government assistance  |      | -                           | 222                | -                             | 222                |
| General and administrative<br>expenses   | 12   | (4,891)                     | (5,506)            | (2,361)                       | (2,805)            |
| Impairment allowance on trade and<br>other receivables and contract<br>assets, net |      | (148)                       | (4,534)            | (253)                         | (4,480)            |
| Finance income   |      | 41                          | 32                 | 19                            | 25                 |
| Finance costs  |      | (546)                       | (559)              | (276)                         | (272)              |
| Share of (loss)/ profit of equity-<br>accounted investees, net                     |      | (45)                        | 7                  | (19)                          | (8)                |
| <b>Profit/ (loss) for the period</b>   |      | <b>530</b>                  | <b>(7,709)</b>     | <b>66</b>                     | <b>(6,118)</b>     |
| <b>Other comprehensive income</b>  |      | <b>-</b>                    | <b>-</b>           | <b>-</b>                      | <b>-</b>           |
| <b>Total comprehensive income for<br/>the period</b>                               |      | <b>530</b>                  | <b>(7,709)</b>     | <b>66</b>                     | <b>(6,118)</b>     |
| <b>Attributable to:</b>  |      |                             |                    |                               |                    |
| Shareholders of the Company  |      | 556                         | (7,798)            | 88                            | (6,136)            |
| Non-controlling interest   |      | (26)                        | 89                 | (22)                          | 18                 |
|  |      | <b>530</b>                  | <b>(7,709)</b>     | <b>66</b>                     | <b>(6,118)</b>     |
| <b>Earnings per share</b>  |      |                             |                    |                               |                    |
| Basic earnings per share (Fils)  |      | <b>2.59</b>                 | <b>(36.26)</b>     | <b>0.41</b>                   | <b>(28.53)</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 2022**

Bahraini Dinars '000

| 2022 (reviewed)  | Attributable to shareholders of the Company |                 |                   |                   |                               | Total   | Non-controlling interest | Total equity |
|--|---|-----------------|-------------------|-------------------|-------------------------------|---------|--------------------------|--------------|
|  | Share capital                               | Treasury shares | Statutory reserve | Retained earnings | Donations and charity reserve |         |                          |              |
| At 1 January 2022  | 22,000                                      | (1,597)         | 8,767             | 6,737             | 48                            | 35,955  | 1,843                    | 37,798       |
| Profit/ (loss) and total comprehensive income for the period | -   | -               | -                 | 556               | -                             | 556     | (26)                     | 530          |
| Dividend declared for 2021                                   | -   | -               | -                 | -                 | -                             | -       | (105)                    | (105)        |
| Utilization of donation and charity reserve                  | -   | -               | -                 | -                 | (6)                           | (6)     | -                        | (6)          |
| At 30 June 2022  | 22,000                                      | (1,597)         | 8,767             | 7,293             | 42                            | 36,605  | 1,712                    | 38,217       |
| 2021 (reviewed)  | Attributable to shareholders of the Company |                 |                   |                   |                               | Total   | Non-controlling interest | Total equity |
|  | Share capital                               | Treasury shares | Statutory reserve | Retained earnings | Donations and charity reserve |         |                          |              |
| At 1 January 2021  | 22,000                                      | (1,597)         | 8,767             | 24,701            | 56                            | 53,927  | 2,379                    | 56,306       |
| (Loss)/ profit 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)          |
| At 30 June 2021  | 22,000                                      | (1,597)         | 8,767             | 16,903            | 48                            | 46,121  | 1,750                    | 47,871       |

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 2022**

Bahraini Dinars '000

|   | Six months<br>ended<br>30 June 2022<br>(reviewed) | Six months<br>ended<br>30 June 2021<br>(reviewed) |
|---|---|---|
| <b>Cash flows from operating activities</b>                           |   |   |
| Profit/ (loss) for the period before non-controlling interest         | 530   | (7,709)   |
| <i>Adjustments for:</i>   |   |   |
| Depreciation on property, plant and equipment                         | 2,019   | 2,709   |
| Depreciation on right-of-use assets                                   | 828   | 957   |
| Charge/ (reversal) for impairment of trade and other receivables, net | 165   | (408)   |
| (Reversal)/ charge for impairment of contract assets                  | (64)  | 4,844   |
| Gain on disposal of property, plant and equipment                     | (241)   | (426)   |
| Share of loss/(profit) from equity accounted investments, net         | 45  | (7)   |
| Employee benefits   | 1,442   | 1,796   |
| <i>Changes in:</i>  |   |   |
| Inventories   | (772)   | (190)   |
| Trade and other receivables   | 510   | 13,972  |
| Contract assets   | 1,583   | 347   |
| Due from related parties  | (848)   | 666   |
| Trade and other payables  | (2,338)   | (7,319)   |
| Contract liabilities  | (3,953)   | (385)   |
| Employee benefits paid  | (1,634)   | (1,940)   |
| Due to related parties  | (822)   | (1,020)   |
| Bills payable   | 3,056   | 238   |
| <b>Net cash (used in)/ generated from operating activities</b>        | <b>(494)</b>                                      | <b>6,125</b>                                      |
| <b>Cash flows from investing activities</b>                           |   |   |
| Purchase of property, plant and equipment                             | (1,165)   | (1,920)   |
| Proceeds from sale of property, plant and equipment                   | 255   | 489   |
| Dividend from equity accounted investee                               | -   | 540   |
| Movement on deposits with banks                                       | 718   | (402)   |
| Maturity proceeds of other assets                                     | -   | 283   |
| <b>Net cash used in investing activities</b>                          | <b>(192)</b>                                      | <b>(1,010)</b>                                    |
| <b>Cash flows from financing activities</b>                           |   |   |
| Proceeds from bank loans  | 420   | 405   |
| Repayment of bank loans   | (1,392)   | (1,143)   |
| Payment of lease liabilities  | (592)   | (912)   |
| Dividends paid to non-controlling shareholders                        | (78)  | (319)   |
| Donations paid  | (6)   | (8)   |
| <b>Net cash used in financing activities</b>                          | <b>(1,648)</b>                                    | <b>(1,977)</b>                                    |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>          | <b>(2,334)</b>                                    | <b>3,138</b>                                      |
| Cash and cash equivalents at 1 January                                | 3,614   | (4,954)   |
| <b>Cash and cash equivalents at 30 June</b>                           | <b>1,280</b>                                      | <b>(1,816)</b>                                    |
| <i>Represented by:</i>  |   |   |
| Cash and bank balances  | 10,070  | 7,716   |
| Short term bank deposits maturing within 90 days                      | 2,509   | 3,606   |
| Bank overdrafts   | (11,299)  | (13,138)  |
|   | <b>1,280</b>                                      | <b>(1,816)</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 2022**

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 2022 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 International Accounting Standard 34 – '*Interim Financial Reporting*', which allows the condensed consolidated interim financial information to be prepared in condensed form. The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's consolidated financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021.

*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 2021 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 2021 reviewed condensed consolidated interim financial information.

**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 2021 (refer note 15).

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation for accounting estimates 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 2021, except for the adoption of relevant new standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2022. The adoption of these new standards / amendments did not have a significant impact on the condensed consolidated interim financial information.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022** Bahraini Dinars '000

**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 2021.

**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 2021 held on 30 March 2022, no appropriations were made.

**7. TRADE AND OTHER RECEIVABLES**

|   | <b>30 June<br/>2022<br/>(reviewed)</b> | <b>31 December<br/>2021<br/>(audited)</b> |
|---|--|---|
| Trade receivables                         | 33,240                                 | 36,928                                    |
| Retention receivables                     | 23,026                                 | 19,881                                    |
| Advances to suppliers and sub-contractors | 3,516                                  | 3,155                                     |
| Prepaid expenses                          | 351                                    | 297                                       |
| Other receivables                         | 1,711                                  | 2,093                                     |
|   | <b>61,844</b>                          | <b>62,354</b>                             |
| Allowance for impairment losses           | (11,291)                               | (11,126)                                  |
|   | <b>50,553</b>                          | <b>51,228</b>                             |

Movement on impairment allowance is as follows:

|                             | <b>2022<br/>(reviewed)</b> | <b>2021<br/>(audited)</b> |
|-----------------------------|----------------------------|---------------------------|
| At beginning of the period  | 11,126                     | 9,140                     |
| Charge for the period, net  | 165                        | 3,031                     |
| Write off during the period | -                          | (1,045)                   |
| <b>At end of the period</b> | <b>11,291</b>              | <b>11,126</b>             |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022** Bahraini Dinars '000

**8. CONTRACT ASSETS**

|  | <b>30 June<br/>2022<br/>(reviewed)</b> | <b>31 December<br/>2021<br/>(audited)</b> |
|--|--|---|
| Cost incurred plus attributable profits on contracts-in-progress | 292,790                                | 264,569                                   |
| Progress billings made towards contracts-in-progress             | (270,831)                              | (241,027)                                 |
|  | <b>21,959</b>                          | <b>23,542</b>                             |
| Allowance for impairment losses                                  | (786)                                  | (850)                                     |
|  | <b>21,173</b>                          | <b>22,692</b>                             |

Movement on impairment allowance is as follows:

|                              | <b>2022<br/>(reviewed)</b> | <b>2021<br/>(audited)</b> |
|------------------------------|----------------------------|---------------------------|
| At beginning of the period   | 850                        | 1,082                     |
| Reversal for the period, net | (64)                       | (147)                     |
| Write off during the period  | -                          | (85)                      |
| <b>At end of the period</b>  | <b>786</b>                 | <b>850</b>                |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022**

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           |                            |
|--|-------------------------|-------------------------|---------------------------------|-------------------------|-------------------------|----------------------------|-------------------------|----------------------------|
|  | Six months ended        |                         |                                 |                         | 30 June 2022 (reviewed) | 31 December 2021 (audited) | 30 June 2022 (reviewed) | 31 December 2021 (audited) |
|  | 30 June 2022 (reviewed) | 30 June 2021 (reviewed) | 30 June 2022 (reviewed)         | 30 June 2021 (reviewed) |                         |                            |                         |                            |
| A.A. Nass & Sons WLL and its related parties | 990                     | 564                     | 3,886                           | 4,907                   | 1,689                   | 1,079                      | 7,017                   | 7,887                      |
| Joint ventures                               | 288                     | 2                       | -                               | 4                       | 360                     | 122                        | 311                     | 263                        |
| <b>Total</b>                                 | <b>1,278</b>            | <b>566</b>              | <b>3,886</b>                    | <b>4,911</b>            | <b>2,049</b>            | <b>1,201</b>               | <b>7,328</b>            | <b>8,150</b>               |

\*Amount due from A.A. Nass & Sons WLL and its related parties is net of impairment of BD 2,554 (31 December 2021: BD 2,555).

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:

|                      | Six months ended 30 June |                 |
|----------------------|--------------------------|-----------------|
|                      | 2022 (reviewed)          | 2021 (reviewed) |
| Short-term benefits  | 1,521                    | 1,439           |
| Termination benefits | 25                       | 22              |
|                      | <b>1,546</b>             | <b>1,461</b>    |

The short-term compensation includes management fee of BD 780 (2021: BD 780) paid to A. A. Nass & Sons Co. W.L.L. by the Group, board committee attendance fees of BD 102 (2021: BD 99) and provision for directors' remuneration of BD 46 (2021: BD 46).

Directors' interest in the shares of the Company was as follows:

|   | 30 June 2022 (reviewed)                   | 31 December 2021 (audited) |
|---|---|----------------------------|
|   | Total number of shares held by Directors* | 94,150,000                 |
| As a percentage of the total number of shares outstanding | 43.78                                     | 43.78                      |

\* 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 2022** Bahraini Dinars '000

**10. TRADE AND OTHER PAYABLES**

|                         | <b>30 June<br/>2022<br/>(reviewed)</b> | <b>31 December<br/>2021<br/>(audited)</b> |
|-------------------------|--|---|
| Trade accounts payables | 10,543                                 | 10,156                                    |
| Accrued expenses        | 13,366                                 | 16,343                                    |
| Unclaimed dividends     | 50                                     | 50  |
| Retention payables      | 6,078                                  | 5,361                                     |
| Other payables          | 1,553                                  | 1,816                                     |
|                         | <b>31,590</b>                          | <b>33,726</b>                             |

**11. REVENUE**

|                 | <b>Six months ended<br/>30 June</b> |                            |
|-----------------|-------------------------------------|----------------------------|
|                 | <b>2022<br/>(reviewed)</b>          | <b>2021<br/>(reviewed)</b> |
| Contract income | 38,617                              | 27,561                     |
| Sales of goods  | 18,110                              | 13,486                     |
| Hire income     | 5,317                               | 2,842                      |
|                 | <b>62,044</b>                       | <b>43,889</b>              |

**12. GENERAL AND ADMINISTRATIVE EXPENSES**

|   | <b>Six months ended<br/>30 June</b> |                            |
|---|-------------------------------------|----------------------------|
|   | <b>2022<br/>(reviewed)</b>          | <b>2021<br/>(reviewed)</b> |
| Salaries of administrative staff        | 2,708                               | 2,873                      |
| Management fees                         | 780                                 | 780                        |
| Depreciation and amortisation           | 358                                 | 448                        |
| Vehicle expenses                        | 196                                 | 180                        |
| Professional fees                       | 194                                 | 241                        |
| Directors' sitting fee and remuneration | 148                                 | 145                        |
| Commission paid                         | 86                                  | 84                         |
| COVID-19 related expenses               | 85                                  | 260                        |
| Communication                           | 69                                  | 74                         |
| Rent, electricity and water             | 48                                  | 72                         |
| Other expenses                          | 219                                 | 349                        |
|   | <b>4,891</b>                        | <b>5,506</b>               |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

**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       |                    |
|--------------------------------------|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                      | 2022<br>(reviewed)                 | 2021<br>(reviewed) | 2022<br>(reviewed) | 2021<br>(reviewed) | 2022<br>(reviewed) | 2021<br>(reviewed) | 2022<br>(reviewed) | 2021<br>(reviewed) |
|                                      | <b>Six months ended 30 June</b>    |                    |                    |                    |                    |                    |                    |                    |
| Revenue                              |                                    |                    |                    |                    |                    |                    |                    |                    |
| External sales                       | 53,502                             | 38,024             | 8,542              | 5,865              | -                  | -                  | 62,044             | 43,889             |
| Inter-segment sales                  | 4,800                              | 4,587              | 1,413              | 1,905              | (6,213)            | (6,492)            | -                  | -                  |
| <b>Total revenue</b>                 | <b>58,302</b>                      | <b>42,611</b>      | <b>9,955</b>       | <b>7,770</b>       | <b>(6,213)</b>     | <b>(6,492)</b>     | <b>62,044</b>      | <b>43,889</b>      |
| Segment result                       | 1,036                              | (6,969)            | 154                | (392)              | -                  | (8)                | 1,190              | (7,369)            |
| Other gains and losses               | 392                                | 553                | 29                 | 87                 | -                  | -                  | 421                | 640                |
| Unallocated corporate expenses       | -                                  | -                  | -                  | -                  | -                  | -                  | (1,081)            | (980)              |
| <b>Profit/ (loss) for the period</b> |                                    |                    |                    |                    |                    |                    | <b>530</b>         | <b>(7,709)</b>     |

**Other information**

|  | Construction & allied activities |                                  | Trading activities            |                                  | Consolidated                  |                                  |
|--|----------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|
|  | 30 June<br>2022<br>(reviewed)    | 31 December<br>2021<br>(audited) | 30 June<br>2022<br>(reviewed) | 31 December<br>2021<br>(audited) | 30 June<br>2022<br>(reviewed) | 31 December<br>2021<br>(audited) |
| Capital expenditure  | 763                              | 6,066                            | 402                           | 1,471                            | 1,165                         | 7,537                            |
| Depreciation and impairment on property, plant and equipment and amortisation of right-of-use assets | 2,482                            | 1,848                            | 365                           | 1,623                            | 2,847                         | 3,471                            |
| <b>Total assets</b>  | <b>108,295</b>                   | <b>116,331</b>                   | <b>16,842</b>                 | <b>16,001</b>                    | <b>125,137</b>                | <b>132,332</b>                   |
| <b>Total liabilities</b>   | <b>78,810</b>                    | <b>86,859</b>                    | <b>8,110</b>                  | <b>7,675</b>                     | <b>86,920</b>                 | <b>94,534</b>                    |
| <b>Total net assets</b>  | <b>29,485</b>                    | <b>29,472</b>                    | <b>8,732</b>                  | <b>8,326</b>                     | <b>38,217</b>                 | <b>37,798</b>                    |

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**for the six months ended 30 June 2022**

Bahraini Dinars '000

**14. COMMITMENTS AND CONTINGENCIES**

|                     | <b>30 June<br/>2022<br/>(reviewed)</b> | <b>31 December<br/>2021<br/>(audited)</b> |
|---------------------|--|---|
| Guarantees          | 78,743                                 | 82,107                                    |
| Letters of credit   | 4,713                                  | 1,097                                     |
| Capital commitments | 530                                    | 328                                       |

The banks have provided guarantees (performance, retention, financial and others related to contracting activities) amounting to BD 78,743 (31 December 2021: BD 82,107) for the various divisions and subsidiaries of the Group.

**15. IMPACT OF EXTERNAL EVENTS - COVID-19 AND RUSSIAN-UKRAINIAN CONFLICT**

*Impact of the COVID-19*

There has been no significant direct impact on the business and financial position of the Group arising from the ongoing effects of disruption caused by COVID-19. However, potential for indirect exposures continue to exist.

*Impact of Russian-Ukrainian conflict*

During the period, a conflict between Russia-Ukraine has triggered a global economic disruption and has, amongst other things, led to increased volatility in financial markets and commodity prices due to disruption of supply chain which may affect a broad range of entities across different jurisdictions and industries.

The management has carried out an assessment and has concluded that the Group has indirect exposures from the impacted countries in relation to its ongoing long-term construction projects. The increased commodities prices and the disruption of supply chain have had an impact on direct cost of the ongoing projects and will expectedly continue to do so in the future. At this stage it is difficult to quantify the full impact of this conflict since it depends largely on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

Nevertheless, in preparing this condensed consolidated interim financial information, management has made judgments in applying the Group's accounting policies and sources of estimation that are subject to uncertainty and estimated the potential impact of the conflict with relation to the commodity price increases and supply chain disruptions. These are considered to represent management's best assessment based on available or observable information and its impact has been incorporated in this condensed consolidated interim financial information.

The management and the board of directors has been closely monitoring the impact of the conflict on the Group's operations and its financial position and will continue to do so in the future. Based on their current 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.